



# **RCDF POLICY**

## **2010/11 – 2014/15**

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## ABBREVIATIONS

AIDS	Acquired immune-deficiency syndrome
BPO	Business Process Outsourcing
CIC	Community Information Centre
CBO	Community Based Organisation
CCC	Community Communications Centre
CSO	Civil Society Organisations
FM	Frequency Modulation
GSM	Global System for Mobile communications
HC	Health Centre
HIV	Human immune-suppression virus
ICT	Information and Communication Technology
ICT4RD	Information and Communications Technology for Rural Development
IDRC	International Development Research Centre
ISP	Internet Service Provider
IT	Information Technology
ITU	International Telecommunications Union
IXP	Internet Exchange Point
LC	Local Council
MDG	Millennium Development Goals
MTN	Mobile Telephone Network
NAADS	National Agricultural Advisory Services
NDP	National Development Plan
NGO	None Government Organisation
NPA	National Planning Authority
PEAP	Poverty Eradication Action Plan
PIP	Public Infrastructure Provider
PMA	Plan for Modernisation of Agriculture
PoP	Point of Presence
PPP	Public Private Partnership
PRSP	Poverty Reduction Strategy Paper

PSP	Public Service Provider
PWD	People with disabilities
RCDF	Rural Communication Development Fund
RCDP	Rural Communications Development Policy
SMART	Specific, Measurable, Attainable, Realistic and Time-bound
SME	Small and Medium Enterprises
SMS	Short Message Service
TV	Television
UA	Universal Access
UAF	Universal Access Fund
UCC	Uganda Communications Commission
UPE	Universal Primary Education
UPL	Uganda Posts Limited
UPTC	Uganda Posts and Telecommunications Corporation
UPU	Universal Postal Union
USE	Universal Secondary Education
USL	Universal Service Levy
UTL	Uganda Telecom Limited
WSIS	World Summit on the Information Society

## EXECUTIVE SUMMARY

The Uganda Communications Act of 1997 mandates Uganda Communications Commission (UCC) to establish and administer a Universal Service Fund- the Rural Communications Development Fund (RCDF). The main function of the fund is to effect communications interventions in areas that are underserved with the overall goal of ensuring that those underserved areas get access to communications services that are comparable to those in the served areas.

To guide the communications interventions of RCDF, UCC therefore developed a rural communications development policy in the year 2001. That Policy among other things provided for specific objectives that would contribute to the overall goal of universal access to communications services. Implementation of the policy started in the year 2003. Its expiry of 2007 was rolled over to the year 2009. The targets that were set for the policy were all realised and in some cases exceeded. Building on the achievements of the 2001 policy and the changed communications environment, a new policy for the period 2010 to 2014 has been developed. The Policy aims at increasing the coverage of communications facilities and services to more underserved areas and people of Uganda and also to deliberately enhance the usage of ICT services in the country. The policy therefore defines the following policy objectives;

Specific objective 1: Increase coverage and broaden basic ICT services

Specific objective 2: Provision of Broadband connectivity

Specific objective 3: Development of local and relevant content

Specific objective 4: Increase ICT awareness & national ICT literacy

Specific objective 5: Maximise resource mobilisation & optimise utilisation

Specific objective 6: Enhance projects' effectiveness and sustainability

Specific objective 7: Improve information management in governance and the delivery of social services.

Specific objective 8: Support local innovations in use of ICT for rural development

Specific objective 9: Catalyze modernisation & wider coverage of postal services

Specific objective 10: Address consumer interests and CSO concerns

Specific objective 11: Address social exclusion gaps

The process for development of the policy has included referencing to many relevant policy documents, both local and international, best practices from other countries and consultation with a wide range of stakeholders.

The five year policy is designed to be reviewed annually.

## **PREAMBLE TO THE SECOND RURAL COMMUNICATIONS DEVELOPMENT POLICY**

This is the second phase of the Rural Communications Development Policy (RCDF 2010/11 – 2014/15), which while continuing to address the broad underlying issues of underserved areas, will particularly focus on three aspects that are key for the development of Uganda as an information society and these are:

- i. Expansion of coverage of the first Rural Communications Development Policy.
- ii. Provision of Broadband connectivity.
- iii. Support for content development.

*Expansion of coverage of the first Rural Communications Development Policy:* It is considered vital to broaden coverage of RCDF intervention in order to expound the gains of the RCDF policy 2003 - 2008 as well as reduce the percentage of Ugandans that are underserved and thus attain the WSIS target for access to basic information and communications services.

*Provision of Broadband connectivity:* This is aimed to specifically address the country's future goal of a broadband-enabled information society especially with respect to education institutions and government's service delivery plans.

*Support for content development:* This is emphasized because local content production and utilization are essential for the entrenchment and consolidation of the information society in any country.

Therefore, in RCDF policy 2010/11 – 2014/15, emphasis has been put on the above 3 issues.

In the context of RCDF policy 2010/11 – 2014/15, the phrase “rural and underserved” shall encompass all those communities that are not able to have access to information and communications services as well as those that are underserved either due to geographical isolation, poverty or any social exclusion factor such as gender, disability or age.

It is important to bear in mind that the main goal of the Rural Communications Development Fund (RCDF) is to enable essential interventions to ensure more equitable development of



communications services by complementing the general national ICT policy and supporting the information requirements of other sectors of government that drive Uganda's development agenda. To attain this goal, RCDF policy 2010/11 – 2014/15 will have to support or work alongside other Ministry programmes.

# 1. BACKGROUND TO THE POLICY

## 1.1. RCDF 2003-2008 Policy Overview

The first implementation of the RCDF policy which covered the period July 2003 to June 2008 was based on three general policy objectives and five specific ones.

### General Policy Objectives

The general policy objectives were:

- i. To provide access to basic communication services within a reasonable distance to all the people in Uganda.
- ii. To ensure effective utilization of the RCDF to leverage investment in rural communication development.
- iii. To promote ICT usage in Uganda

### Specific Policy objectives

The specific RCDF policy objectives were:

- i. To ensure that sub-counties with at least 5,000 people get access to basic communication services by 2005.
- ii. To ensure that the limited resources of the RCDF are effectively utilized to create immediate impact.
- iii. To support the establishment of an Internet PoP (that is also associated with at least one cyber café) in every district of Uganda by 2003.
- iv. To increase the use of ICT in Uganda by supporting its introduction in at least one “vanguard” institution in every district.
- v. To promote provision of communication services in rural areas as a profitable business.

### Mission of the 2003 – 2008 RCDF Policy

The stated mission of the policy was *“To support the development of communications infrastructure in rural Uganda and ensure that people in rural areas have reasonable and affordable access to communications services”*.

### **RCDF Policy 2003 - 2008 Actions:**

Seven policy actions were specified as follows:

- i. The established rural communications development fund (RCDF) was to be the main tool of rural communications development and its management and administration was to be under UCC.
- ii. Funds from the RCDF were to be accessed on competitive basis as far as possible
- iii. The RCDF was to be used to establish basic communication access, through “SMART” subsidies, to develop rural communications. That is, the RCDF was to be used to encourage commercial suppliers to enter the market but not create unending dependency on subsidy.
- iv. Special interconnect arrangements were to be used as a means of enhancing rural communication sustainability.
- v. Basic access was defined (with provision to be reviewed regularly in line with change of environment and technology) to be a package of essential supported services. The package was defined initially to include voice grade access to public telephone networks and public access to a place to purchase stamps and letter postage and collection.
- vi. Promote the use of Internet in Uganda by supporting three specific interventions namely an Internet PoP in every district, one vanguard ICT institution per district and the establishment of an Internet exchange point (IXP).
- vii. Use special tariffs to promote rural communications while preserving fair competition.

### **Summary of outputs of the 2003-2008 RCDF period**

The implementation of the 2001 RCDF policy commenced in 2003 and run for a 5-year period under two main programmes namely the one funded by UCC-generated funds and the other funded using funds provided by development partners. The combined outputs of the two programmes are summarised below, under 11 programme areas.

<u>Count</u>	<u>Project Area</u>	<u>Coverage</u>	<u>Target Limit</u>
1.	Internet PoPs	76	NA
2.	Internet Cafes	99	NA
3.	ICT Training Centres	79	NA
4.	District web portals & National web portal	78	105
5.	Public Pay Phones	2,599	10,000
6.	Research Projects	6	15
7.	Postal Support projects	35	35
8.	Multi Purpose Community Tele-centres	24	1,000 (CIC)
9.	School ICT laboratories	95	16,000 (PS+SS)
10.	Health Units' ICT facilities	43	3,000 (LC II-V)
11.	Call centres	1	1

## **1.2. Overview of the Process of Developing the RCDF Policy 2010/11-2014/15**

As illustrated in figure 1 below, nine main factors were considered in the development of RCDF policy 2010/11-2014/15, namely:

- i. Rural development needs.
- ii. Government policy goals.
- iii. Experience from RCDP 2003-2008 [Achievements, Challenges and Lesson learnt].
- iv. Ideas and Issues Emerging from review of relevant literature.
- v. International best practice [e.g. WSIS 2015 Targets]
- vi. The current status of the communications sector & SWOT Analysis.
- vii. Input by UCC [and the RCDF Board].
- viii. Input from Stakeholders Workshop.
- ix. Monitoring, evaluation and impact assessment considerations.

It should be noted that over-all the stakeholder consultation process had three stages, namely the UCC steering committee, the RCDF board and the broader stakeholder forum.

The criterion<sup>1</sup> that was used in the review report for RCDF policy 2003 - 2008 implementation was also used to contribute to the process of developing the RCDF policy 2010/11 – 2014/15.

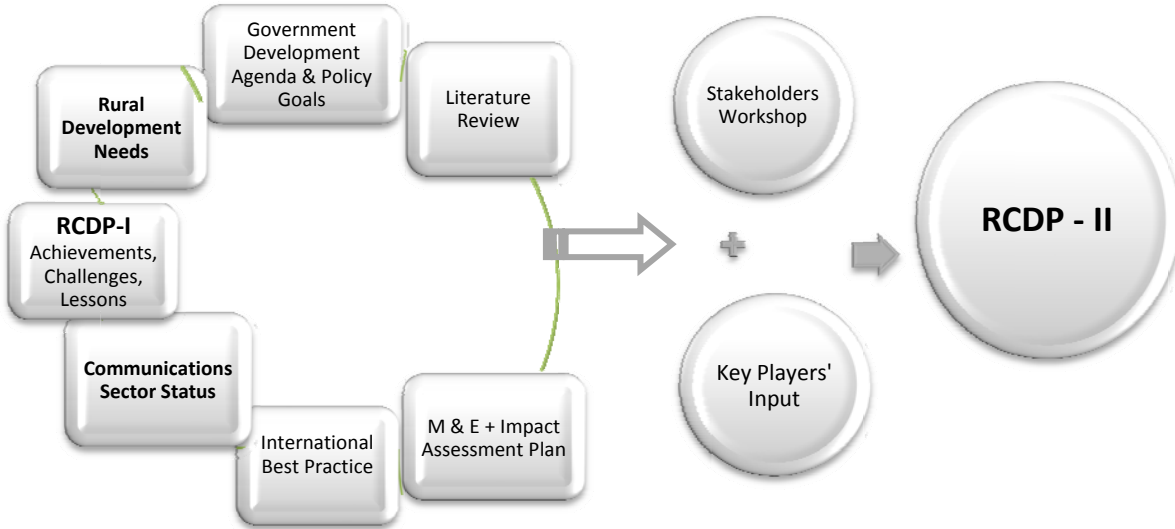


Figure 1: Process diagram for developing 2<sup>nd</sup> phase of RCD Policy

### 1.3. Government Development Agenda – High Level Basis for RCD Policy

It is important to highlight at this point the high-level government objectives that the RCDP is intended to facilitate which are derived from two strategic standards.

The first is the global development agenda known as the *Millennium Development Goals (MDGs)*<sup>2</sup>, to which Uganda was one of the 189 signatories in 2000.

The second is the country-specific poverty reduction strategy known as the *Poverty Eradication Action Plan (PEAP)*<sup>3</sup> that was originally linked to the national vision called Vision 2025.

<sup>1</sup> Rural Communications Development – A Tutorial Paper Based on the Uganda Case by F F Tusubira, September 2004

<sup>2</sup> <http://www.undp.org/mdg/basics.shtml>; The Millennium Development Goals’ Report by United Nations © 2005

<sup>3</sup> <http://www.mtti.go.ug/docs/MFPED%20PEAP%202005.pdf>

Vision 2025 is itself undergoing review in a process spearheaded by the National Planning Authority (NPA) to produce what will be known as *Vision 2035*. The theme of Vision 2035 is “Towards a transformed Ugandan society; from a peasant to a modern and prosperous country within 30 years”.

Uganda’s Poverty Reduction Strategy Paper (PRSP)<sup>4</sup> was first prepared in 1997 through a broad stakeholder consultation process and was called the Poverty Eradication Action Plan (PEAP). PEAP has been Uganda’s comprehensive development framework and action plan to eradicate poverty. It has undergone several reviews (like in 2001, 2003, 2004 and 2005) to make it more responsive to desired outcomes. PEAP is currently undergoing comprehensive review by the National Planning Authority (NPA) to produce what will be called the National Development Plan (NDP).

The other relevant documents include the ICT policy<sup>5</sup> and the Telecommunications policy<sup>6</sup>.

#### **1.4. Literature Review**

More than 20 resources were reviewed and 14 issues<sup>7</sup> emerged. For example one of the issues noted is that:

Because of the intrinsic limitation of rural people’s ability to harness ICTs (due to poverty and education/knowledge gaps), universal access programmes should put emphasis on equipping entities that serve communities, such as schools, health units, development NGO & CBOs, administration units, rural financial service providers, cooperatives, agricultural/environment extension units etc. Most rural households are likely to get at least indirectly development benefits from ICTs through this approach.

The literature review also considered the experiences of universal access funds in a number of countries to identify lessons the RCDF might draw from these. The countries profiled were Chile, Peru, India, South Africa, and Nigeria. Among the issues explored for each country were

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<sup>4</sup> <http://www.imf.org/external/NP/prsp/2000/Uga/01/>

<sup>5</sup> National Information and Communication Policy by Ministry of Works © October 2003

<sup>6</sup> [http://www.ucc.co.ug/UgTelecomsSectorPolicyReview\\_31\\_Jan\\_2005.pdf](http://www.ucc.co.ug/UgTelecomsSectorPolicyReview_31_Jan_2005.pdf)

<sup>7</sup> See Appendix 3.4.

how the funds are managed, the areas in which interventions/subsidies are made, what has made these programmes successful and the challenges they have faced.

## 1.5. Other Countries' Experiences

- *Facilitating the deployment of broadband:* Peru, Chile, India and Nigeria have adopted strategies to implement broadband in underserved areas. For example, India's approach was to target 76,000 villages with populations of 2000 or more people and using what are called High Speed Public Tele-Information Centers (HPTICs). RCDF could aim to promote the connection of various community-serving institutions in underserved areas to broadband Internet.
- *Facilitating greater participation of beneficiaries' in deciding interventions:* Presently UCC follows the approach of stakeholder consultation during policy formulation. UCC could explore consulting community representatives to determine what geographical areas, administrative units and which projects to prioritize.
- *Building on existing initiatives to facilitate RCD:* RCDF could partner with other programmes that aim to accelerate poverty reduction in rural areas, particularly in situations where ICT has potential to play a strong catalytic role, such as education, health, agriculture. This has been utilized with substantial impact by the South African UAF.
- *Minimizing duplication of services:* In Nigeria, sites for Community Communications Centres (MCCs) funded by the UAF have to be at least 5 km from an existing cyber café or similar ICT facility. MCCs are Nigeria's equivalent of CICs.

The common thread through all profiled countries experiences is “*broadening the range of ICT services under the universal access envelope while optimizing UAF utilization to better cater for information and communication needs of underserved communities*”.

## 1.6. Current Status of Communications Sector

The development of the new RCDF policy must take into account the existing state of the communications sector in the country given the gains registered after its full liberalisation. In this section a brief review of the current status of the sector is provided.

Following a ministerial policy pronouncement made on 11<sup>th</sup> May 2006, Uganda redefined its communications policy environment and opened up the telecommunications sub-sector to full competition for both infrastructure and service provision.

The communications sector, which directly employs about 6,000 people and another 344,000 indirectly, is divided into three sub-sectors namely the *telecommunications* sub-sector, the *postal* sub-sector and the *broadcast* sub-sector.

The telecommunications market is the largest and fastest growing followed by the broadcast and the postal services market is third both in size and growth. The telecommunications market now has two major service categories namely the voice and data categories whose delivery continues to converge (now including multimedia content) and mostly driven by technology.

The broadcast market also has two main services namely radio and television. The postal services market also has two components namely post and courier.

### 1.6.1. Telecommunications sub-sector status

The licensing has been reorganized into 2 major licensing categories of Public Infrastructure Providers (PIP) and Public Service Providers (PSP) but some operators hold both PIP and PSP Licenses while some hold PSP Voice and data only and others hold PSP capacity resale only. As at December 2009, there were 25 PIP, 35 PSP Voice & Data holders and 3 PSP capacity resale license holders.

The total number of telecommunications operators in the various categories stood at 37 and the annual revenue generated by the sub-sector stood at US\$ 640 million for the year 2008. The sector registered an average annual growth rate of about 20% over the five years preceding its full liberalization and a total of US\$ 326 million was invested in the sub-sector in the year 2008. The Tele-density grew from 2.8% in the 2002 to 31% by December 2009 contributed mostly by



the estimated 9.3 million mobile subscribers combined with the much fewer 233,581 fixed phone subscribers. The number of subscribers stood at about 25% below the total switching capacity which was estimated at 11,500,000 lines.

The documented number of mobile phone base stations stood at 2176 and a total of 54,896 public pay phones (including wireless based portable pay phone) had been deployed country-wide by December 2009 but with substantial gaps still existing in some underserved areas. The above deployment level of pay phones translates into 1 pay phone per 580 inhabitants on average for the country as a whole thus exceeding the policy target which was 1 pay phone per 1200 inhabitants. However that performance is contributed mostly by high deployment levels in urban areas, with many underserved areas still registering a worse pay phone to person ratio.

The average cost of first-time connection to a mobile network by December 2009 stood at UGX 3,000 (US\$ 1.5) excluding the cost of a phone handset, while the cost of a local mobile call was at an average of UGX 351 (US\$ 0.17) per minute. Opening the market to full competition has so far dropped the local mobile tariffs by more than 30%.

The fourth quarter of 2009 registered voice traffic of 1.4 billion minutes of which 1.1 billion was on-net traffic, 270 million minutes were off-net and 40 million minutes were International outgoing traffic. SMS traffic on the other hand was 190 million SMS comprising 95 million on-net, 82 million off-net and 12 million International SMS, with a quarterly growth of 65% against the third quarter.

Internet bandwidth grew from a total of 12 Mbps (with a downlink to uplink ratio of 2:1) in September 2001 to a total of almost 508 Mbps (with a downlink to uplink ratio of 2.7:1) in December 2008. This indicates an average annual growth rate of 605%. The growth in the downlink to uplink ratio indicates an increase in the relative demand for non-local content which implies poor performance of production, access and hosting of local content.

The total national fibre optic cable coverage stood at more than 2,500 km by December 2008 while direct wireless Internet subscribers stood at about 214,293 and fixed line Internet subscription was estimated at 22,000. The total number of Internet users was estimated at 2.5 million.

### **1.6.2. Broadcast sub-sector status**

The function of UCC with regard to the broadcasting sub sector is the allocation of Spectrum to service providers licensed by the Broadcasting Council.

There are 195 functional FM broadcasting services and an additional 37 that are licensed but still off air, totalling 232 by December 2009. The majority of these are spread over all districts of Uganda, giving an average of nearly 2 radio services per district.

There are 40 functioning TV broadcast stations plus 15 non-functioning licensed TV stations, giving a total of 55 TV stations. The annual license fees for a 500watt FM station (including STL cost) is slightly above UGX 2,000,000 per year. For a TV broadcast station of the same power rating, the annual license fee is UGX 5,697,000. It is also interesting to note that a low-cost FM radio receiver costs about UGX 25,000 and can be afforded by most rural households while a low-cost TV costs about UGX 125,000 putting it out of reach for many of them.

Overall, the country (including some underserved areas) has good FM broadcast coverage and it is still by far the most cost effective means of communicating with poor communities.

### **1.6.3. Postal sub-sector status**

The main types of services provided under the postal sub-sector are postal services and courier services. There is only one major postal operator (Uganda Posts Limited or UPL) some of whose licensed services are struggling. By December 2009, there were 13 domestic courier service providers, 6 regional courier operators, and 6 international couriers.

The volume of letters handled dropped from 15,000,000 in 2002 to about 8,000,000 in 2007 indicating that the demand for physical mail services is shrinking, which is attributed to competition from the emerging electronic mail services such as email and SMS.

The demand for courier services on the other hand registered growth between 2005 and 2007, with local courier traffic growing from 1,000,000 to about 1,700,000 while international traffic grew from about 300,000 to about 500,000 in the same period.

The major license operator has exclusive rights on the following 3 services:

- Production and issuance of postage stamps and other physical mail-related products

- Renting and leasing of postal boxes
- Delivery of letters weighing not more than 350 grams.

The major operator has 12 Regional/Head Post offices, 70 Departmental Post Offices, 105 Sub Post offices, 1,623 licensed stamp vendors and 74,360 private post office boxes, the majority of which are in Kampala.

## 1.7. SWOT Analysis of RCDF Policy and Program

The *Strengths* of RCDP and its implementation:

- i. Existence of a law (The Uganda Communications Act 1997) providing for the establishment of a rural communication development fund by UCC.
- ii. Having the benefit of building on the study on the approach for implementation of Universal Access in Uganda that was done by UCC with IDRC support prior to establishment of RCDP 2003-2008.
- iii. Achievements of the RCDP 2003-2008 developed by UCC in July 2001. It should be noted that most of the targets were met and in some cases exceeded.
- iv. Using the lessons that have been learnt during the Implementation of RCDP 2003-2008.
- v. UCC has had extensive Interaction with and input to UAFs in other countries.

The *Weaknesses* identified for RCDF Policy 2003-2008 are:

- i. Compared to the communications and information needs of underserved areas, interventions through RCDF 2003-2008 were still limited and their coverage is still very low with respect to the need.
- ii. There is still insufficient participation of SME, NGOs and rural enterprises in RCDF-supported Interventions and initiatives.
- iii. Quality of Service (mostly by major operators) levels were often quite low.
- iv. Lack of operational sustainability (profitability) for many supported projects.
- v. Projects having poor records' keeping (which hampers effective documentation and learning).
- vi. High cost of services in comparison to rural incomes
- vii. Many project operators lack innovation and business acumen

The **Opportunities** that can be harnessed for RCDP 2010/11-2014/15 include:

- i. A more liberalized communications sector means that both geographical coverage and affordability gaps have been further reduced by market (competition) forces and hence allowing current interventions to focus limited resources on fewer underserved areas' needs.
- ii. Growth of the aggregate turn-over of the communications sector is bound to result in increased contribution to the RCDF.
- iii. Recent technology developments enabling greater use of renewable energy solutions (such as solar) to power ICT and further lower capital and operating costs required to provide information and communication services in rural areas.
- iv. The advent of the national fibre backbone enabling easier delivery of broadband to rural areas.
- v. The arrival of the undersea fibre cable to the East African coast to be eventually linked to Uganda by the third quarter of 2009, will greatly increase availability and improve quality of Internet.

The **Threats** envisaged for RCDF 2010/11-2014/15 are:

- i. Many rural communities are still spread over wide sparsely populated areas thus making the per-unit delivery of communication services relatively high so it is still not easy to develop sustainable business models to serve rural communities.
- ii. Many rural communities still have very low income levels and are unable to afford communication-enabled services.
- iii. Limited awareness and low skills among rural people to utilize and apply ICTs (internet, the data component of mobile phones) for economic development.
- iv. Difficulty in attracting and retaining ICT skilled personnel in rural and underserved areas
- v. Inadequate and/or lack of appropriate content that runs on the existing ICT infrastructure for rural communities.
- vi. There is a tendency for service providers and other sector players to focus on technology and less on how the technologies can benefit the intended users or beneficiaries.
- vii. The main power grid is still mostly limited to urban centres and its reliability is still low.

In view of the SWOT analysis and in order to mitigate the effect of the threats, RCDF Policy 2010/11-2014/15 continues to encourage the searching for and use of business models (for delivery of rural communications services) that overcome those challenges without sacrificing sustainability (profitability) and its interventions should also aim to address many of the underlying challenges to rural people's timely access to information as well as their harnessing of ICT for socio-economic development.

As RCDF Policy 2003-2009 had the key challenges of; *Awareness, Literacy, Access and Affordability*, RCDF Policy 2010/11-2014/15, needs to also address *Energy, Sustainability, and Quality of services in addition to the original four*.

Lastly, RCDF 2010/11-2014/15 should be more intentional in ensuring that ICT enhances human development by:-

- i. Including human development targets and impact assessment.
- ii. Encouraging ICT usage in local government and national rural development Initiatives (e.g. UPE, USE, cooperatives and rural financial services).
- iii. Including ICT initiatives of development NGOs among those eligible for RCDF support.
- iv. Supporting ICT for Rural Development (ICT4RD) research.
- v. Supporting IT training at all levels of education to equip those that go through the various stages of education with skills that enable them to better harness ICT thus addressing the current inability of people to harness ICT services.

## **1.8. Defining the scope of RCDF POLICY 2010/11-2014/15**

### **1.8.1. Summary of gaps remaining from RCDF 2003-2008**

Although the geographical isolation gap has been substantially addressed by the increase of major telecommunications operators;

- i. The poverty gap still remains.
- ii. The gap of inadequate ICT awareness still exists.
- iii. Low functional ICT literacy is a gap that still persists.
- iv. Access to ICT services was improved by RCDF Policy 2003-2008 but coverage gaps and

- inadequate range of basic services still remains.
- v. Lack of a clearly defined gender implementation strategy still persists.
  - vi. Even though costs have gone down generally, they are still substantially higher than what is appropriate for average income levels of underserved communities especially those in rural areas.
  - vii. RCDF Policy 2003-2008 human development (HD) impact was not adequately addressed nor documented.
  - viii. Sustainability of RCDF 2003-2008 supported projects was lacking.
  - ix. Underlying technology issues including unreliable power, last-mile technologies, equipment requiring less maintenance and poor quality of service.
  - x. Inadequate interaction between RCDF and other government development programs.
  - xi. Inadequate linkage with PEAP, MDG and WSIS targets.

### 1.8.2. RCDF Policy 2010/11-2014/15 Scope

The RCDF Policy 2010/11-2014/15 will endeavor to address the most critical of the gaps identified above. Its scope in terms of beneficiaries will be **the underserved** (due to poverty, social exclusion or geographical isolation<sup>8</sup>) **communities**.

These will be the focus of RCDF intervention for the provision of basic communications services which shall comprise basic postal services as defined by the postal policy, basic telecommunication services as defined by the telecommunication policy and basic ICT services as defined by the ICT policy.

For RCDF Policy 2010/11-2014/15, communications services should also include data services that are made possible by improvement and advancement of ICT (Email, Internet and data connectivity) and are needed for the provision of development-related services such as financial services, communication for NGOs, CBOs, local administration and extension service providers.

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<sup>8</sup> Universal Access and Rural Communication Development Funds: Success factors world-wide and practical insights from Uganda by Andrew Dymond & Sonja Oestmann © Intelecon Research August 2002

## 1.9. Issues Emerging from Stakeholders' Consultation

Rural communication has a broad range of stakeholders ranging from the communities it seeks to serve, Service providing companies, CBOs, NGOs, Government ministries involved in rural development efforts (Education, Agriculture, Health, ICT, cooperatives, Local government, Trade & Tourism) and local administration units from LC I up to LC V. It was therefore arranged that input from a cross section of these stakeholders be sought during the development of RCDF policy 2010/11-2014/15.

In addition to individual stakeholder consultations, a workshop for all stakeholders was organised on 30<sup>th</sup> July, 2009 in Kampala during which the draft policy was presented to key stakeholders of the sector. Comments about the draft policy were sought from the stakeholders. Questions were also raised about the RCDF just ended policy performance, the draft policy for the period 2010/11–2014/15 and the sector at large.

A panel provided answers to the various questions and reacted to comments made by the stakeholders. The panel was comprised of representatives of the Commission, the RCDF board, and the Consultant.

Following is a summary of the issues raised by various stakeholders during the consultation process:

### UCC

- RCDF Policy 2010/11–2014/15 Policy Actions should reflect WSIS 2015 information society targets.
- RCDF Policy 2010/11– 2014/15 should have “SMART” objectives.
- RCDF Policy 2010/11–2014/15 should be a lean Policy document centred on Objectives and associated actions.
- RCDF Policy 2010/11–2014/15 should ensure adequate intervention in the postal sub-sector since it lags behind.
- RCDF Policy 2010/11–2014/15 needs to recognize that broadcast (though an aspect of ICT) is currently under another mandate.

## **RCDF Board**

- RCDF Policy 2010/11–2014/15 should avoid funding programmes that will have little or no impact.
- RCDF Policy 2010/11–2014/15 should include summaries of sub-sector policies in appendix for easier reference.
- The intervention gaps that continue from RCDP-I should be clearly indicated.
- RCDF Policy 2010/11–2014/15 should rationalize funding targets, disbursement guidelines and project targets.

## **Comments by Major Industry Players**

- As key players, they should have been involved in the policy formulation stage and not in preparation for the general stakeholders’ workshop.
- A summary of audited RCDF funds disbursement for the 2003-2008-period should be provided, for greater transparency.
- The present levy should not be increased as this will result in an even higher cost of services.
- Operators should be given opportunity (by the regulator) to propose projects in line with the RCDF policy and what they spend be discounted against their RCDF level dues.
- The 3% (of the targeted US\$ 16.8 million) recommended in earlier policy drafts to support broadband infrastructure is too little for the task at hand.
- Absence of affordable and sustainable energy sources in underserved areas is a major drawback on the provision of ICT to communities in rural areas.

## **Comments by other stakeholders**

During visits to selected RCDF 2003-2008 projects, people operating the projects were interviewed and the following challenges emerged:

- Unreliable or Lack of Grid Power
- Low ICT Usage
- High Capital and Operating Expenses
- Consequent High Cost of Services which further aggravates Low Usage



- Unavailable Equipment Maintenance Support

In addition to the above challenges as expressed by most of the visited projects, the consulting team further noted the following general issues:

- Lack of business sustainability
- Erratic and expensive upstream Internet service for projects where it was needed
- Inadequate Business Innovativeness
- Inadequate Marketing Effort

### **Open Stakeholder Workshop**

Most comments and questions raised sought to ensure that the Rural Communications Development Policy for the period 2010/11-2014/15 addressed the following issues:

- Consumer awareness
- Local language usage and appropriate content
- Alternative energy to grid power in the rural areas
- Sourcing of Funds for the Rural Communications Development Policy for the period 2010/11-2014/15
- Gender Sensitivity
- Sustainability of projects
- Training and Capacity building
- Use of open technologies (hardware and software)
- Rural Communications Development Policy for the period 2003 to 2008 and the baseline for the Rural Communications Development Policy for the period 2010/11-2014/15

After an overview of the draft policy was presented, the following issues were specifically raised by the stakeholders:

- Ensure that consumer interests and civil society concerns are thoughtfully addressed
- There is need for gender specific actions and performance indicators.
- There is a need for an objective on gender integration and for some policy actions to be specific on gender targets.
- Indicate utilization and impact of RCDP Policy 2003-2008 funds.

- Be clear how local content is to be developed and disseminated. A mechanism to ensure that accurate development information from and about rural and other underserved communities is regularly collected as well as ensuring that they too benefit from timely information for decision making.
- Ensure that there is two-way flow of information between rural communities and those involved in steering the country's development agenda.
- How will RCDF Policy 2010/11-2014/15 ensure a balance between affordability and sustainability?
- How will RCDF Policy 2010/11-2014/15 M&E indicate results and value for investment and how will rural communities evaluate sustainability?
- Which policy action will ensure the teaching of proper use of ICT beyond voice?
- RCDF Policy 2010/11-2014/15 should encourage the use of open technologies (especially open source software) to ensure faster local content development and sustainability.
- To better cater for rural communities, RCDF Policy 2010/11-2014/15 should encourage greater use of appropriate renewable energy sources and also discourage the use of used ICT equipment.
- Recommend consideration of community FM stations for disseminating information down to the grassroots under RCDF
- The Policy should cater for training ICT support skills and ICT awareness enhancement especially among rural people.
- Since change-over from analogue to digital broadcast is planned for 2012, there is need for convergence of communications and broadcast regulation and in anticipation of this (convergence), broadcast should be included in RCDF Policy 2010/11-2014/15.

The RCDF Policy 2010/11-2014/15 will endeavor to address the most pertinent issues among those raised during the consultation process within the available resources.

## 2. RCDF POLICY 2010/11-2014/15

### 2.1. Introduction

The Uganda Communications Act requires the Uganda Communications Commission (UCC) to, among other responsibilities, establish and administer a Rural Communications Development Fund (RCDF) because the government realised that:

- Communication plays a key role in the social-economic development of any country.
- Yet there are many sections of the population that still lack basic communication services.
- Market forces alone are not adequate to ensure equitable distribution of communication services.

The RCDF is an intervention mechanism to ensure that essential communications and information services of appropriate quality and affordable cost are accessible within a reasonable distance by all people in Uganda. As a Universal Access Fund, RCDF is primarily:

- i. Intended to support universal access to information and communication services.
- ii. Aims to make stimulus interventions for communities where provision of normal commercial services is not feasible.
- iii. Built up through contributions from licensed communications service operators.
- iv. Accessed through an appropriately competitive procurement process.
- v. Limited in terms of resources and scope, and therefore should be utilised mostly to catalyze investment rather than deliver solutions on an ongoing basis.

## **2.2. Mission and Vision of RCDF POLICY 2010/11-2014/15**

**The Vision of RCDF Policy 2010/11-2014/15 is:**

*Uganda's rural and underserved communities able to harness ICT for social and economic development*

**The Mission of RCDF Policy 2010/11-2014/15 is:**

*To ensure, through targeted Interventions, that all the underserved people of Uganda (both male and female), especially those in rural communities, can have access to modern communication services on a sustainable basis so as to participate in the information society for their social and economic development.*

## **2.3. RCDF POLICY 2010/11-2014/15 Objectives**

### **2.3.1. Overall Policy Objective**

The overall objective of RCDF Policy 2010/11-2014/15 is to:

Enable equitable access to and effective utilisation of innovative communication-enabled services that support the attainment of Uganda's development goals (for all people, especially those in rural and other underserved areas, both male and female).

### **2.3.2. Specific Policy Objectives**

The Specific objectives of RCDF Policy 2010/11-2014/15 are to:

- i. Increase coverage and enhance range of basic ICT services so as to ensure increased access to (a wider range of) essential communications services.
- ii. Ensure that there is broadband connectivity to all institutions of learning, health and governance in Uganda.
- iii. Encourage and support the creation and effective dissemination of locally developed and relevant content.

- iv. Increase awareness and enhance national ICT literacy in the medium to long term.
- v. Maximize RCDF resources mobilization and optimise their utilization to address the gaps in the provision of essential information and communications services to rural and other underserved communities.
- vi. Enhance policy implementation effectiveness and RCDF projects' sustainability.
- vii. Promote the improvement of information management and ICT use in collaboration with ministries for development and delivery of socio-economic services to rural communities.
- viii. Encourage local innovation in the deployment and use of ICT for rural development.
- ix. Catalyze the modernisation and broader coverage of postal services in Uganda.
- x. Ensure that legitimate consumer interests and civil society concerns<sup>9</sup> are appropriately addressed.
- xi. Promote utilization and application of ICTs by all categories of underserved people (women, men, youth, PWDs, elderly) and also address the access disparity that exists between male and female as well as for PWDs.

To help align the proposed policy actions with objectives, the above specific policy objectives can be stated in the following brief format:

- I. Increase coverage and broaden basic ICT services.
- II. Provision of Broadband connectivity.
- III. Development of local and relevant content.
- IV. Increase ICT awareness and national ICT literacy.
- V. Maximise resource mobilisation and optimise utilisation.
- VI. Enhance effectiveness and sustainability.
- VII. Improve information management in governance and the delivery of social services.

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<sup>9</sup> Report on Uganda Country-based Research, Policy Support and Advocacy Partnerships for Pro-Poor ICT by WOUGNET, January 2007

- VIII. Support local innovations in use of ICT for rural development.
- IX. Catalyze modernisation & wider coverage of postal services.
- X. Address consumer interests and CSO concerns.
- XI. Address social exclusion gaps.

## **2.4. Policy Actions (organized under associated objective headings)**

### *Specific objective 1: Increase coverage and broaden basic ICT services*

- i. Aim to achieve a target of 1 pay phone per village (with adult population of at least 500 people) by 2015 by deploying at least 800 public pay phones per year in underserved areas through a combination of support to rural-based micro-enterprises and private/public partnerships (PPP).
- ii. Support the establishment of at least 1 community information centre (CIC) per underserved LC III area (together with the associated telecommunications network) aiming at a minimum of 110 CICs per year.
- iii. To ensure easier sustainability, RCDF-supported CICs should target viable points of population convergence (with peak population of 2000 or more people) such as trading centres, market sites, medium and large health units, local administration points and education institutions.

### *Specific objective 2: Provision of Broadband connectivity*

- i. To ensure Broadband connectivity to at least 45 sub counties in whole country during the policy period.

### *Specific objective 3: Development of local and relevant content*

- i. Support at least two collaborative initiatives (each year) to develop and disseminate local ICT content<sup>10</sup> and its application in areas like health, education, market information, agriculture, local administration and commerce in a sustainable way so as to encourage faster uptake and productive use of ICT.

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<sup>10</sup> WSIS Plan of Action – December 2003, section C4.

*Specific objective 4: Increase ICT awareness & national ICT literacy*

- i. Support the establishment of an IT laboratory with broadband access in a minimum of 100 educational institutions (including both UPE and USE schools) that are located in underserved areas, per year.

*Specific objective 5: Maximise resource mobilisation & optimise utilisation*

- i. Ensure increased RCDF inflows, from US\$ 10M to US\$ 40M, by utilising all three financing avenues specified for RCDF namely; revising the percentage levied on commercial communication services providers, making provision in the national budget and engaging development partners.
- ii. For optimal resource utilisation, explore the use of a range of viable mechanisms such as SMART interventions, targeted PPP initiatives and harmonisation with other development programmes.
- iii. Make RCDF more collaborative; with other government arms with a view of mainstreaming some of the RCDF-initiated interventions into other sector strategies and/or encouraging evolution into sustainable market force driven enterprises.

*Specific objective 6: Enhance projects' effectiveness and sustainability*

- i. Support business capacity development by providing entrepreneurial training (including business planning) for the managers of all new RCDF supported projects.
- ii. Encourage greater participation of SME, NGO, CBO and rural small investors in the sustainable provision of ICT services to rural areas.
- iii. Monitor and evaluate as well as conduct socio-economic impact assessment for the RCDF Policy 2010/11-2014/15 implementation.
- iv. Document best practices and lessons learnt from implementation of the projects so as to know what works well and help tailor future ICT4D programmes to models that work better.
- v. Implement Risk management.

*Specific objective 7: Improve information management in governance and the delivery of social services.*

- i. Support ICT capacity development for delivery of services to underserved areas through the establishment of appropriate ICT and related services (postal services, public pay phone, Email & Internet Services), broadband access and IT training for health unit III and IV as well as LC III local administration units in all underserved areas to enhance the exchange of information between them on one side and districts, central government ministries and national centres of excellence on the other. 80 service delivery points (health units, LC III admin units and extension service stations) should be covered each year.

*Specific objective 8: Support local innovations in use of ICT for rural development*

- i. Support at least two (2) institutions of higher learning (in collaboration with other organizations) each year to undertake research<sup>11</sup> that explores new ways of using ICT to support Rural Development (ICT4RD) and disseminate the findings.
- ii. Support appropriate research and development as well as technology incubation especially for better utilisation of ICTs that already have wide coverage in rural area (such as radios and mobile phones).
- iii. Development of intervention models
- iv. Promote rural deployment of appropriate technologies including open source software solutions to local problems.
- v. Encourage the use of renewable energy sources (such as wind and solar) to power rural ICT projects and encourage use of the national fibre backbone for the delivery of broadband to underserved communities by supporting the establishment of at least 2 regional centres of excellence each year to demonstrate the use of new technologies to show-case how to address the challenges of ICT delivery and utilization in rural areas. Also to be set up is 1 BPO per year per region.

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<sup>11</sup> WSIS Plan of Action – December 2003, section C3.



*Specific objective 9: Catalyze modernisation & wider coverage of postal services*

- i. Support initiatives that promote modernisation and expansion of postal services such as the implementation of the post-code system and opening up postal services to greater competition.

*Specific objective 10: Address consumer interests and CSO concerns*

- i. Mainstream public information exchange channels into RCDF operation and advertise them in mass media.

*Specific objective 11: Address social exclusion gaps*

- i. Main stream gender in RCDF programmes and activities and include specific outcomes in the project evaluation process.

## **2.5. Strategy for Implementing the Policy**

Overall, the following adjustments to the RCDF Policy implementation strategy are suggested:

Funding should be substantially increased, from US\$ 10M to US\$ 40M in order to cater for the specified policy actions so as to further approach universal access targets.

- i. The three proposed revenue sources (UCC Levy, Government budget and development partners) should all be optimally harnessed.
- ii. Further funding from development partners apart from the World Bank should be vigorously pursued.
- iii. Put greater emphasis on development impact by prioritizing institutions that focus on rural development such as Universal education schools, local government units, Health units, NGOs & CBOs.
- iv. Emphasizing local content needed by people in their day-to-day communication, trading, health, Education and Agricultural activities.
- v. Ensure that supported projects are sustainable (by operating as profitable rural based enterprises or by embedding them in established development initiatives).
- vi. Integrate gender main streaming and support for NGOs, CBOs and other stakeholders

who promote the use of ICT among traditionally marginalized groups like women, youth, PWDs and the rural poor.

- vii. Intending RCDF partners should show in their business or project plans strategies for targeting *all categories* of people in the communities where they plan to operate. This will provide a bench mark for monitoring support to disadvantaged groups especially women, PWDs and the youth.
- viii. An effective monitoring and evaluation plan should be adopted to enable more reliable project information availability and more effective steering of the policy implementation and impact assessment.
- ix. Ensure proper risk management in respect of projects supported by RCDF.

### **2.5.1 Implementation plan**

There will be a phased implementation of the Policy and the RCDF Board shall ensure the preparation of detailed annual policy implementation plans based on this policy that will be approved by UCC. The plans will among other things specify the following:

- Operational guidelines for the RCDF board and management for policy implementation.
- Procedures to be followed in accessing RCDF resources (including a quantitative project-rating procedure based on guidelines specified in 2.5.2)
- Specific underserved areas to be targeted and the rationale for the proposed prioritization
- The projects to be implemented each year under each policy action category
- Specify the monitoring and evaluation strategy for each annual plan.

### **2.5.2 Rationale for RCDF 2010/11-2014/15 Policy Action Targets and Budget Estimates**

Three avenues for generating funds for implementing Uganda's universal access strategy (RCDF) were proposed, namely UCC Levy (which generated about US\$ 4,000,000 in the fiscal period 2008/9), Development partners (that contributed about US\$ 2,000,000 per year for RCDF 2003-2008) and government budget sources (which have so far not been directly utilized by RCDF).

### **2.5.2.1 Increased RCDF resources, their optimal utilisation & collaboration with other government development programs**

These first three actions (under specific objective 5) do not require specific budget designation. They mainly require establishment of appropriate operational strategy and can be expensed from the annual operational plans' budgets.

### **2.5.2.2 Gender mainstreaming:**

This is also mostly an operational strategy issue and not so much a budget requiring action.

### **2.5.2.3 Public Pay Phones**

First, assuming 40% adults of Uganda's population, then for the WSIS PPP target of 1 PPP per 500 persons' village, 4,000 PPP would need to be deployed to achieve this target. To attain the 2015 goal, an average of 800 PPP need to be deployed each year for the whole policy period. Now, assuming the use of a range of public phone technologies (including low-cost mobile phone-based operators), an average budget of US\$ 250 per pay phone is proposed.

### **2.5.2.4 Community Information Centres (CIC)**

Assuming coverage of at least 1 CIC per county, then at least 550 CICs need to be deployed in the country. A deployment rate of an average of 110 CICs per year for the whole policy period is suggested. CIC deployment is estimated at US\$ 4,000 each, to cater for a payphone and associated telecommunications network.

### **2.5.2.5 School ICT Labs:**

There are about 2,000 secondary schools<sup>12</sup> which (ideally) should all have access to IT labs and broadband access. This is a massive challenge and phased tackling is the only option. Fortunately, a good number of public schools have had ICT laboratories provided leaving only 200 secondary schools. It is therefore recommended that RCDF prioritizes USE schools in the first two years of the policy and then tertiary institutions and PTCs in subsequent years. It is recommended that a target of covering at least 100 schools per year for the first 2 years of the

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<sup>12</sup> 2009 Statistical Abstract © Uganda Bureau of Statistics

policy be adopted initially. Equipping each school ICT resource centre is estimated to require US\$ 20,000.

#### **2.5.2.6 Service delivery units**

The same root number as that for CICs is applicable in determining the overall need for service delivery points and local administration units. So it is estimated that the country has at least 950 health units and 1520 LC III administration units (that would each incorporate an extension service desk). The total number of locations needing ICT facilities for local administration and health service support is 2470. Of this number, only 400 will be supported during the policy period at an average rate of 80 locations per year. Each location is estimated to require US\$ 12,000 (to cover IT equipment, connectivity, postal, email & internet services, and reliable power equipment).

#### **2.5.2.7 Local Content development**

The need for growth of locally available and relevant content cannot be over emphasized especially since this is a cross-cutting issue. Initially it is proposed that 2 projects be supported each year (with a possibility of adjustment guided by the M&E process) so that at the end of the policy period at least 10 content projects (hopefully each having a different sector focus) will have been helped to start. These could serve as a stimulus for growth of the local content industry in Uganda. Each local content project could be supported up to the tune of US\$ 100,000, depending on each winning business plan.

#### **2.5.2.8 Innovations for ICT4RD**

There are 2 related actions under this, namely generation of new ICT4RD solutions (say by using open source software tools) and incubation of ICT4D applications that make use of the most readily available ICTs (such as mobile phones and radios). The two can be accomplished by establishing 8 ICT incubation centres covering the whole policy period and each can have different focus and be funded with up to US\$ 125,000, again depending on the qualifying business plan.

### **2.5.2.9 ICT use awareness development**

This is through appropriate broadcast programs and the demonstration of the effective use of appropriate technologies to address rural challenges by establishing at least 4 regional ICT centres of excellence per year (1 per geographical region). It is estimated that each centre would require about US\$ 75,000, catering for ICT equipment, connectivity, provision of reliable power, training and initial operation. In total, 12 regional ICT centres of excellence will be established. Similarly, four regional Business Process Outsourcing (BPO) Centres are proposed. Each BPO is estimated to cost US\$ 300,000.

#### **2.5.2.10 Modernization & Expansion of postal services**

Another big task is the modernization of postal services while also increasing their coverage in the country especially in rural areas. Two specific actions are proposed, namely opening sub-sector to greater competition such as allowing more national operators and supporting the postal code implementation.

It is likely that these two actions together will stimulate private-sector led growth of postal services. Since no definite cost indication for postal code implementation was obtained, a budget indication of US\$ 1 million is given and will be subject to review by the RCDF annual operations planning process.

#### **2.5.2.11 RCDF partnership opportunities for MSME, NGO & CBO and mainstreaming public information exchange channels**

These two actions are not budget requiring items. They mainly need to be catered for in the RCDF annual operation plans and may involve costs which can be expensed from the RCDF operating budget.

#### **2.5.2.12 Business capacity development**

It is proposed that this action be expensed against the RCDF operational budget (for partners where training is needed). This will give RCDF management opportunity for early and in-depth engaging with the project implementation partners selected.

### 2.5.2.13 M&E and Impact assessment (MEIA)

This action is important for the RCDF policy to be effectively implemented. Some aspects of this (including financial audits for some of the larger projects) may need to be out-sourced. Any out-sourced services should be by open bidding but 0.5% of inflows should be held in reserve to be used for MEIA expenses.

### 2.5.2.14 Broadband Infrastructure support

Through initiatives such as the National Backbone Infrastructure program and through commercial roll-out by operators, broadband connectivity is expected to be available at most district commercial centres. Through the RCDF Policy program, broadband connectivity is planned to be extended from district commercial centres to sub county level. The estimate cost of infrastructure for each sub county is US\$ 250,000 and a total of 42 sub counties are expected to be covered within the policy period.

Finally, the budgeted policy actions and associated budget estimates are summarized in table 3 in attached annex 1. Table 2 below shows the annual project implementation costs.

**Table 2: Project Implementation Cost Estimates**

No	Budgeted Policy Action Category	Avg. Unit Cost	Units per Year	Ext. cost
1	Public Pay Phones (support micro-enterprises)	250	800	200,000
2	Establishment of CIC	4,000	110	440,000
3	IT Facilities for Education institutions	20,000	67	1,340,000
4	IT Facilities for service delivery points	12,000	80	960,000
5	Content Development & Disbursement	100,000	2	200,000
6	ICT4RD Local innovations / Tech incubators	125,000	2	250,000
7	Regional ICT centres of excellence	75,000	2	150,000
8	Business Process Outsourcing centres	300,000	1	300,000
9	Broadband Infrastructure Support	250,000	8	2,000,000
10	Postal services' modernization Initiative	1,000,000	1	1,000,000
11	ME&IA	37,347	1	37,347

<b>12</b>	Promotion & Sustainability	75,444	1	75,444
<b>13</b>	Counterpart funding	273,000	1	273,000
<b>14</b>	RCDF Administration Costs	499,517	1	499,517
				7,725,308

It is recommended that the RCDF annual operational budget should aim not to exceed too much 3% of the policy actions budget. In light of this and basing on the cost projection of table 2, UCC should aim **to raise at least US\$ 7,725,308 per year for RCDF implementation.**

### 2.5.3 Criteria for Funds Disbursement to individual projects

Three of the actions specified in section 2.4 are intervention actions that do not require funds disbursement but the remaining nine actions are to be guided by the disbursement plan. For each such policy action, priority of disbursement to individual projects that come under it should be determined by using a weighting system for which the following or similar approach could be used:

1. Rural rating – Projects for Locations in the most underserved sub-counties should score higher from rural rating.
2. Community involvement rating – The projects that present evidence of involvement of communities they intend to serve and/ or local buy-in during conceptualization and/or ownership of the proposed project should score higher from this consideration.
3. Socio-economic impact rating – The more a project is rated for potential to create socio-economic transformation (at community level), the more points it will score for this parameter.
4. Benefiting population rating– The bigger the number of people a project will benefit the more points it will score from this rating. Parameters 2, 3 and 4 will provide substantial advantage for projects focusing on community-serving entities (which were highlighted in the background to this policy as the best intervention approach to achieve social/economic impact for rural communities through the use ICT).
5. Social inclusion rating – The more a project caters for social disadvantaged interests

(Gender, youth, disabled, elderly etc) the higher it should score from this.

6. Sustainability rating – The higher a project is rated for sustainability (or profitability) using an objective technique the more points it will score for this consideration.
7. Project Implementation Cost – The lower the cost of project implementation *in comparison with others in the same policy action category*, the more points it will score for this rating.
8. Geographical Spread rating – The wider the geographical area the project aims to cover, the higher it should score for this category.

#### **2.5.4. Licensing and Access to Communication Resources for Underserved Areas**

Licensing in underserved areas, while complying with the current (restructured) licensing approach, should, where necessary, differ from the rest in that it should be flexible to accommodate the operational challenges faced by rural operators and the charges should be considerably lower than those of national operators or be altogether waived in certain cases like some parts of Karamoja. Secondly, in its role as manager of the radio spectrum resource, UCC should endeavour to cater for rural communications networks while bearing in mind the need for freedom of choice of technology by the operator. Specifically:

- UCC shall, in its national radio frequency plans endeavour to anticipate the radio spectrum needs for rural areas and make the necessary reservations while taking into account latest developments in technology.
- In general, assignments for rural service provision shall be made on need basis to meet the requirements for utilization of the most cost-effective and appropriate technology.
- UCC may consider waiving, in part or fully, its normal frequency fees in the case of rural service providers.



## **2.6. Monitoring and Evaluation Strategy**

### **2.6.1. Introduction**

The mission of RCDF Policy 2010/11-2014/15 explicitly focuses its agenda on the social-economic development of “people living in the underserved areas of Uganda”. The general acknowledgement that communication services accelerate/stimulate development through access to information and knowledge is the premise that forms the “theory of change” on which RCDP II is to work. This implies that the provision of these services to particular target group(s) will trigger transformation and enhance their inclusion in Uganda’s development agenda.

Within the context of Universal access and development, the M&E strategy of RCDP II shall have its central focus on this target group for which it is hoping to realize a development change.

This is in line with contemporary development thinking, whose focus has shifted from the traditional ‘delivery of outputs’ to achievement of results/benefits. This perspective will ensure that the RCDPII conception and action components are cohesive and complementary and form a strategic whole, sufficient to effect a realistic change among members of the target group.

The strategy specifically highlights six focal areas which shall guide the development of an M&E framework and plan that will be the operational tool during the course of implementing the policy.

In order to capture how RCDF 2010/11-2014/15 will address gender and other socially excluded groups’ concerns, it must include a mechanism in the M&E to be able to capture Gender disaggregated data (GDD) on access and utilization of services of RCDF supported projects so as to inform the next course of actions in order to work towards holistic universal access.

### **2.6.2. Purpose/rationale for M&E**

A clear purpose for M&E gives it momentum and focus. Three basic purposes are usually defined namely: - Accountability, Learning and Knowledge generation. RCDF Policy 2010/11-2014/15 needs to take these into account. The implementing agency and partners need to utilize their successes and failures on a continuing basis to improve RCDF Policy 2010/11-2014/15-implementation on an ongoing basis.

### **2.6.3. Strategic information needs**

To avoid collection of irrelevant data and wastage of resources, RCDF Policy 2010/11-2014/15 will identify strategic information needs in line with its objectives and audiences for such information. This information shall relate to ability to measure and report performance against set criteria. They shall be at three levels: - Impact, Outcomes and Implementation (inputs, activities and outputs).

### **2.6.4. Methods and approaches**

This section outlines three methods proposed for monitoring and evaluation;

#### **Assessment of impact**

Assessment at the impact level shall answer the question: - What contribution has RCDF Policy 2010/11-2014/15 made to the development agenda of the rural communities in Uganda? The impact assessment shall be outsourced to an external evaluator to ensure objectivity.

#### **Monitoring and assessment of outcomes**

This M&E component shall track and assess the effectiveness of RCDF Policy 2010/11-2014/15. The defined outcome indicators in the different target groups shall be the basis for monitoring the progress towards achievement of changes in the target group. Outcome monitoring shall be integral to the day-to-day management activities of RCDF Policy 2010/11-2014/15. Outcome evaluations shall be conducted at less frequent intervals to be agreed upon.

#### **Monitoring and assessment of implementation**

This component shall address the following evaluation issues: -

- Whether implementation is according to plan
- Whether there is sufficient capacity within RCDF 2010/11-2014/15 and its partners to effectively deliver on the proposed service
- Whether the intervention is being properly managed (delivered/monitored) and that management and operational systems are working well.

- How the target groups are responding to the intervention with quantitative and qualitative data that is segregated by socially disadvantaged groupings (gender, youth and persons with disability).

At 12 months intervals, an external evaluation process shall be conducted to assess progress of the various activities and where possible recommend adjustments. Performance indicators shall define a standard against which assessment is done to measure progress.

#### **2.6.5. Institutional arrangements (structures and resources) for mainstreaming M&E in RCDPII functions.**

The M&E activity of RCDF Policy 2010/11-2014/15 has to be well structured and fully resourced if it is to be of adequate benefit to the intervention. The following Issues shall be addressed.

#### **2.6.6. Institutional arrangements that ensure that related M&E activities are integral to the establishment of RCDPII management.**

As noted in the forgoing narrations, the largest and more useful proportion of activities will be internal administered. This implies that the RCDF Policy 2010/11-2014/15 staff responsibilities shall include an active engagement with M&E on an ongoing basis. RCDF should avoid the danger of letting this be part of the residual activities of ‘mainline’ staff as it will not get the attention needed.

Reporting and action on evaluation findings shall be integrated into the routine management forums (e.g. RCDF Board meetings, annual reviews, progress reporting). All the identified monitoring and evaluation activities need to be catered for in the budget.

RCDF Policy 2010/11-2014/15 shall define a percentage of the total budget towards Monitoring and Evaluation related tasks.

#### **2.6.7 Indicators for assessing progress and effectiveness of RCDF Policy 2010/11-2014/15**

Indicators are measurable and verifiable proxies of the actual ‘construct’ about which information is sought. At the activity and output level, what is dealt with are tangible entities and do not need indicators to know about them. Indicators become relevant at an outcome and impact level where the definition of the benefit of the intervention is a construct and not a

tangible thing. At the activity, the M&E strategy focuses on how and where resources are utilized. These shall be typically financial resources based on the percentage allocations as per the funds allocation plan in section 2.5. Compliance with this shall be more of an audit function than an M&E activity. At the output level, quantifiable deliverables for related activities under each policy action category shall be the basis for assessing compliance. The deliverables shall indicate more than total numbers but relate them to a service delivered to a targeted group. At the outcome level, quantifiable indicators of outcome constructs are used to reflect a close approximation to achievement of the outcome. The table below captures this measurement framework. M&E data records should employ gender disaggregated data (GDD) techniques in order to monitor the gender policy requirements.

**Table 2: Monitoring and Evaluation Guidelines**

<b>S. Objective</b>	<b>Policy Action</b>	<b>Output(s)</b>	<b>Outcome(s)</b>	<b>Outcome indicators</b>
1. Grow access coverage & broaden basic services.	1. Deploy some kind of ppp / 500 adults. 2. At least 1 CIC @ LCIII.	1. Attain 4,000 PPP per year involving enterprises of all sizes. 2. 150 CIC setup per yr. Start with areas of least TD.	Achieve WSIS 2015-targets.	Number of profitable CIC in operation. Records to show both numbers of female & male owners/operators
2. Broadband Infrastructure Support	Initiation of broadband access to 1, 4, & 7	Broadband link of Appropriate capacity	Social service delivery & information exchange with government enhanced by use broadband.	All targeted schools, health units & admin units verified to have broadband connectivity and are able to sustain it
3. Availability of local & relevant content	At least 3 content initiatives (in areas of health, education, market information, agric extension, local admin) per year.	At least 3 content projects per year.	Ugandans in underserved areas have access to relevant e-content and are regularly using it for development.	1. Number of uploaded e-content databases. 2. Number of schools accessing locally hosted education content. 3. Number agric extensions accessing locally hosted agric info.
4. Increase ICT awareness & national ICT literacy	Establishment of IT Labs for USE, UPE etc in rural areas. Also regional demo centres	200 BB-connected ICT labs per year in rural areas	Increased ICT literacy at all levels of education	1. No. of schools with IT Labs. 2. Total number of P7 & S4 graduates with basic IT literacy. Data should indicate female, male beneficiaries, with age & disability status indicated.
5. Adequate RCDF & its Optimal use	adequate RCDF Inflow used optimally	Adequate RCDF annual Budget	Annual operational plans that Cope well with Increased actions	Be able to raise at least US\$ 40,000,000. Use mixture of SMART-I, targeted PP partnership & Collaboration
6. Enhance ICT management for delivery of social services	Ensure that LC II admin & Health units or higher & Agric extension units all get ICT facilities including broadband& ICT training	200 BB-connected ICT resource centres to admin & SS delivery units per year in most underserved areas.	- Enhanced flow of information between rural health units, extension units & local admin units and ministries & national centres.	1. Number of sub-counties sending health data to MoH. 2. Number of extension units able to access online information. 3. Number of rural health workers & extension workers trained in ICT use. 4. Number of LCIII able to report to districts via online facilities.
7. Local ICT4RD innovations.	support appropriate R&D + technology incubation especially for better utilisation of ICT that are already in wide use in	1. At least 2 ICT4D research projects 2. At least 2 technology incubation projects.	1. Development of local ICT4D research capacity. 2. Use of local innovation to	1. Number of Universities involved in ICT4D research. 2. ICT4D research findings disseminated. 3. Rural development services available on mobile phone

<b>S. Objective</b>	<b>Policy Action</b>	<b>Output(s)</b>	<b>Outcome(s)</b>	<b>Outcome indicators</b>
	rural areas (e.g. radio & mobile phones)		put available ICT to better development use. 3.Sustianbility models developed	platform. 4. Number of development programs aired on radio stations.
8. Modernize & widen coverage of postal services.	1. Support start of postal codes.	1. Uganda has a postal code-based mail distribution system.	1. Wider access to postal services. 2. Wider & more efficient national distribution of postal objects.	1. Number of postal code areas established 2. Annual postage volume.
9. Enhance MEIA process	1. Performance evaluation. 2. Lessons 3. Impact assessment every 18 months.	1. Outputs vs targets. 2. What works well, what does not work well & challenges. 3. Adjust implementation as necessary.	Rational, improved accountability, learning & knowledge generation. Enhancement of project sustainability & success.	1. Verifiable projects' records. 2. Performance VS targets data. 3. Development impact assessment in rural sub-counties & in education institutions.
10. Address CSO Concerns.	1. Mainstream public information exchange channels in RCDF operations.	1. Information exchange channels specified. 2. Define process for evaluating complaints & concerns.	1. Clear public feedback channels. 2. Addressing legitimate CSO & consumer concerns.	1. Public info. Exchange avenues specified (phones, email & periodic public fora. 2. Advertised / 3 months
11. Address social exclusion gaps	Mainstream gender.	Gender, youth & PWD – specific aspects.	Gender, youth & PWD progress on MDG.	Gender/youth/PWD-resolved performance reports

## APPENDICES

### 3.1. ICT Policy Overview

The ICT ministry mandate was specified in the national ICT policy as “the promotion of sustainable use of efficient and effective information, communication and broadcasting systems throughout the country and in all spheres of life in support of national development; and to coordinate, promote and monitor information, communication and broadcasting technologies’ development and to harness their potential in order to achieve national development goals”.

Its mission was stated as “to promote the development of ICT infrastructure and services throughout the country”.

The vision is “a knowledge-based Uganda where national development and good governance are enhanced and accelerated in a sustainable manner by timely and secure access to information and the efficient application of ICT”.

In view of above policy agenda, government specified 14 ICT policy objectives<sup>1</sup> as follows:

- i. To raise awareness among the general public and key stakeholders about the role of ICT in Uganda’s development process.
- ii. To increase ICT functional literacy in all sectors and to build human resource capacity.
- iii. To promote and enable the building and establishment of appropriate infrastructure that supports ICT development and also achieves universal access in Uganda.
- iv. To promote fair competition and attract private investment in the ICT sector with particular emphasis on development and encourage local participation including specific incentives for investing in ICT.
- v. To identify and establish innovative financing mechanisms that address specific needs of ICT development.
- vi. To promote the use of ICT in the stimulation of production, storage and dissemination of in-country information and knowledge in both the public and private sectors.
- vii. To facilitate the broadest possible access to public domain information.
- viii. To promote an environment that is conducive for media pluralism that will enhance cultural identity and national sovereignty.

- ix. To promote multilingualism and other efforts to provide access to information by disadvantaged groups and communities.
- x. To ensure gender mainstreaming in information and communication programmes and ICT development.
- xi. To provide for establishment of an desirable enabling legal and regulatory framework that, among other things, takes into account the convergence of technologies.
- xii. To encourage and support research and development in ICT.
- xiii. To accord due regard, recognition and protection to intellectual property rights.
- xiv. To enhance collaboration and coordination in ICT development at the local, regional and international level.

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<sup>i</sup> National ICT Policy © Ministry of Works, Housing and Communications October 2003

### **3.2. Telecommunications Policy**

The Telecommunications policy<sup>i</sup> statement states that “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 access to telecommunications services for all the citizens of Uganda through an enabled and competitive private sector.” It also notes that “Government recognises that a purely commercial approach would marginalize the majority of the citizens, and has therefore made universal access, supported by appropriate public-private partnerships, a key objective.” The Government also commits itself in the policy “to work towards the convergence of all ICT sectors under a single political leadership to ensure maximum synergy and harmonised policy, laws, and regulation.” Access to the international Internet backbone via optical fibre and the establishment of a national data backbone are key national strategic priorities which the policy seeks to achieve by 2010/11.

The mission of the Telecommunications policy<sup>i</sup> is “to establish by the year 2010/11 a fully liberalised telecommunications sector as an engine of growth that is driven by the human development needs of Uganda.”



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The stated general policy objectives are:

- i. To promote and enable the building and establishment of appropriate infrastructure that supports ICT for development and achieves Universal Access in Uganda.
- ii. To promote fair competition and private investment in the telecommunications sector with particular emphasis on development and encouragement of local participation, including specific incentives for investing in telecommunications.
- iii. To increase the levels of ICT functional literacy in all sectors and develop human resource capacity to support the sector.
- iv. To identify and establish innovative financing mechanisms that address specific needs of telecommunications development.
- v. To promote the use of telecommunications to stimulate production, storage and dissemination of in-country information as well as knowledge in both, the public and private sectors.
- vi. To facilitate the broadest possible access to public domain information.
- vii. To ensure gender mainstreaming in telecommunications development.
- viii. To provide for establishment of an enabling legal and regulatory framework that, among other things, takes into account the convergence of technologies.
- ix. To enhance regional and international level collaboration and co-ordination in telecommunications development.
- x. To encourage innovation and facilitate the development of new services and technologies (such as VoIP) provided under clear guidelines issued by UCC.

### **Specific policy objectives<sup>i</sup>**

The specific objectives were defined within the context of providing infrastructure that would provide accessibility and availability throughout the country to a minimum of a voice and data network point as detailed below, by the year 2010/11:

**Part 1:** Targets to support the universal access objectives aimed at enabling the human development plans of various government service delivery sectors. These will be supported through the Rural Communications Development Fund as well as PPP.

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- i. Institutional Data Access Points of speeds not less than 256kbps: For all universal primary education schools and post primary institutions; all Educational Institutions; Government health units at LC-III; Population Centres exceeding 1200 people; Agricultural extension units and other public institutions as may be subsequently determined by UCC in consultation with the service delivery arms of government.*
  - ii. Public Data Access Points of speed not less than 256kbps within each sub-county (LC-III) of all Administrative districts of Uganda (2004).*
  - iii. Public Voice Access Points within each Local Council second Level (LC11)/parish of the administrative districts of Uganda (2004).*
  - iv. Interconnection of all higher local government capitals by gigabit links as part of the National Data Backbone.*

**Part 2:** Targets to address sectors of the population that can afford services. These will be achieved largely through market liberalisation, fair competition and regulations that ensure fair pricing. PPPs will have a limited role during the policy period to 2010/11.

- i. A universal service target of 20% of the projected population, up from the previous 4.2%.*
- ii. Internet connection at greater than 64kbps to at least 10% of households in the country, up from the previous figure that was less than 1%.*

**Part 3:** Strategy objectives, in terms of establishing the market through regulation.

- i. Addressing affordability.*
- ii. Investment targets including PPP targets (e.g. Identify at least 5 PPP for backbone infrastructure by 2010/11).*

It was noted that the achievement of the various targets, especially within the universal access definition, would depend heavily on the speed of rural electrification. Strong coordination would be required with the Rural Electrification Authority and the Electricity Regulatory Authority to ensure that the power needs of the units targeted under universal access have got access either to mains power, or to alternative sources of energy.

The following provisional targets for the period 2005 - 2007i were proposed for the worst case scenario:

***I. Education***

Provision of 256 kbps infrastructure to:

- At least 5 UPE schools at each sub-county
- At least 1 secondary school at each sub-county level
- All universities and tertiary institutions

***II. Health Sector***

Provision of 256kbps infrastructure to:

- At least 1 Hospital per district (where it exists)
- 2 Health centre Level IV at county level (where they exist)
- Public Voice Access Points at all HC level III and II

***III. Agriculture***

Provision of 256kbps infrastructure to:

- All district research and development centres
- All agricultural research centres
- Agricultural extension offices

***IV. E-governance***

Provision of 256kbps infrastructure to:

- All higher local government headquarters.
- All sub county headquarters
- Public Voice Access Points within each Local Council second Level (LC-II or parish) of the Administrative districts of Uganda (2004)

### **3.3. Guidelines for Postal Sector**

The postal service policy is still under development, however a draft exists that can guide RCDF strategy for the working towards universal postal services. The following excerpts can provide some guidance.

#### **3.3.1 Uganda Posts Limited Obligations and Performance**

Uganda Post Limited (UPL's) latest licence subsisted between April 6, 2005 and April 6, 2008. The licence gave UPL as the major operator exclusive rights to the production of postage stamps, renting and leasing of private letterboxes, and delivery of letters weighing up to 350g. In addition, the licence allowed UPL to offer the full range of postal services including all the mandatory services like Parcel and Money Order, and premium services like EMS and Easy Mail. The operator currently delivers services through a nationwide network of 326 Post Offices, 671 Stamp Vendors and an installed capacity of 75,015 Private Letter Boxes.

UPL is permitted to provide two categories of services: Mandatory Services and Other Services. The Mandatory Services are those services which together constitute the minimum postal services package every Ugandan should enjoy irrespective of location. Failure to provide mandatory services as stipulated would attract a penalty since they are obligatory. These services include money orders services, postal orders services, philatelic services, and reserved postal services.<sup>1</sup> UPL was given exclusive rights to provide reserved services as a compensation mechanism for carrying out the Universal Postal Service Obligation on behalf of the Uganda Government. These reserved services include the production and issuance of postage stamps, pre-stamped envelopes, aerogramme forms, and international reply coupons in Uganda. UPL also maintains a monopoly on the renting and leasing of Post Office boxes, as well as on the delivery of letters weighing up to 350g, although there are some few exceptions stipulated in the Communications Act. This weight limit was reduced from 1 kg to 350g during the review of UPL's previous three-year licence.

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Under ‘Other services’, the licence permits UPL to provide any other postal services which do not fall under the category of Mandatory Services. Other Services are desirable but they are not obligatory and allow UPL to be creative and innovative.

A recent audit on UPL’s performance over the April 2005 to April 2008 licensing period reported that while the operator had delivered on some of its obligations, it had dismal successes in many areas. The findings show that UPL fulfilled licence obligations including payment of the one-term licence fee of US\$25,000; seeking approval for changes in tariffs and charges; and not denying any customer access to any licensed service. There was partial fulfilment in providing appropriate ranges of services throughout the country, meeting Quality of Service requirements, ensuring confidentiality and protection of postal articles against violation, and handling customer complaints.

On the other hand, UPL did not fulfil her obligations of payment of the 1% on gross annual revenue as annual licence fee, providing, within one year of the licence, a list of population centres for which it would not be able to provide Reserved Services, providing continuous services throughout the licence term, and submission to UCC a Master Service Agreement and annual reports of UPL’s operations and services.<sup>1</sup>

UPL was expected, under the roll-out obligations of the licence, to progressively expand its network over the licence period. The audit report showed that this was also not complied with, just as both the Letter Box and the Post Office Expansion Plans were never submitted to UCC. By August 2007, a total of eight out of the 25 postal outlets earmarked for opening under RCDF support had not been established. All the 25 postal outlets were supposed to be opened in 2006. In addition, UPL did not give evidence of expanding the coverage of Street Posting Boxes in the country during the licence period. The existing ones were found in poor physical condition during UCC inspections and in many cases the collection times were not displayed.

Accordingly, the evaluation made several recommendations, including that:

- (i) Before UPL’s Major Operator’s licence is renewed, UCC should discuss with the UPL Board of Directors to seek clear understanding of what problems exist and proposals on how to solve them. The findings should be reflected in provisions of the new licence.

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(ii) Before the licence is renewed, and after discussing with UPL, UCC should make recommendations to the Ministry of ICT, as the owner of UPL on how the findings and the discussions results can be used to improve the performance of UPL.

(iii) In discussing with the Ministry of ICT, UCC should consider the possibility of reviewing the UPL's monopoly on reserved services and the corresponding obligations; and changing the licence term from three to five years; and licensing the UPL courier activities separately, as a way of enhancing competitiveness in the postal sub sector.

(iv) UCC should also continue advocating for the adoption of the Postal Sub-sector Policy in which issues like liberalisation of the sub-sector and the capitalisation (and eventual privatisation) of UPL are recommended as a way of streamlining the sub sector.

### **3.3.2 Proposed Postal Sector Reforms**

The Draft Postal Policy (2003) makes the case for reforming and restructuring the postal sub-sector, and provides a point of reference for the harmonious development of the postal sub-sector. It is noted in the policy recommendation document that in spite of growing interest by private operators in the industry, there is still no policy on postal development.<sup>i</sup>

In recommending a postal policy, the report points out that public sector reforms have transformed numerous inefficient, unprofitable public enterprises into dynamic businesses, and observes that “while the economic reform process has reached nearly every public enterprises, there has been very little intervention in respect of Uganda’s postal sub-sector.” The lack of institutional progress and reform along with a changed environment within the sub-sector had subsequently led to retarded growth in postal services at a time when the rest of the communications market is experiencing phenomenal growth.

Accordingly, the broad policy objectives recommended were:

1. To encourage private investment so as to improve postal services and infrastructure in the country;

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2. To encourage and support the commercialisation of UPL, hence improving the company's efficiency and effectiveness
  3. To promote competition in the sector so as to improve quality of services through innovations, and promote the introduction of new postal products on the market
  4. To increase accessibility to postal services in rural areas by having in place at least one postal service outlet by sub-county
  5. To increase annual mail per capita from 0.59 to 4 letters (which, it is pointed out, would still be below the African average mail per capita of 8).<sup>i</sup>

*The postal policy would aim to provide all Ugandans with universal access to postal services, strengthen the quality of the national and international postal network, and promote competition in the postal sub-sector. In addition, it is recommended that the postal policy should respond effectively to the needs and expectations of postal customers, and enable postal customers and operators to draw maximum benefit from technological, economic, and regulatory changes such as ICT convergence.*

As part of the effort to reform the postal sector, Uganda is also in the process of developing post codes. A study on a new addressing and postcode system for Uganda has concluded that such a move is feasible and would have a high economic impact. It said that while a complete address comprising of a street name, a house number, a postcode and the location is normally misinterpreted as an exclusive requirement for mail circulation, it is globally accepted that an address with a postcode is of high economic importance and must be considered a national asset as it enables business establishments and growth, as well as improvement of governmental and administrative actions.<sup>i</sup>

### **3.3.3 Universal Postal Service**

The principle of Universal Service as described in Article 1 of the Universal Postal Union (UPU) convention is to “ensure that all users/consumers enjoy the right to a universal postal service involving the permanent provision of quality basic postal services at all points in their territory

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and at affordable prices.” Accordingly, the key elements that make up the UPU guidelines on Universal Service are: Access to Services, Customer Satisfaction; Speed and reliability; Security; and Liability, provision of information and treatment of inquiries.<sup>1</sup>

In Uganda, the universal postal service obligations are vested in UPL, but as has been pointed out in the foregoing sections, the operator has performed dismally on fulfilling these obligations. A case could therefore be made for smarter RCDF interventions that aim to take a wider range of services nearer to the community than has hitherto been made.

### **3.4 Issues Emerging from Literature Review**

- i. From the outset, it is important to note that ICT is not an end in itself (with respect to human development objectives), but that it is a tool to empower people and communities in becoming self-sufficient and competitive in meeting their basic needs and reaching their full potential. The real agent for empowerment and transformation is information and it is access to information that helps people to identify and seize opportunities to develop.
- ii. The ultimate policy goal should be to attain the participation of all people in the information society<sup>1</sup>. Another target can be pegged to the WSIS goal of connecting all villages of the world to ICT by 2015 in addition to ensuring the establishment of community access points, connecting universities, schools, libraries, post offices, health centres and local government units.
- iii. Because of the intrinsic limitation of rural people’s ability to harness ICTs (due to economic and education/knowledge gaps), universal access programmes should focus on equipping entities that serve communities, such as schools, health units, development NGO & CBOs, administration units, village banks, agricultural cooperatives, agricultural/environment extension units etc. Most rural households are likely to get development benefits from ICTs through these community-serving entities.
- iv. It is important to have a broad view of ICT so as to combine utilisation of different technologies such as Community radios, TV, Internet and mobile phones to achieve a



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greater impact. For example, the use of community radio has been observed to encourage local solutions to local problems without the need for imported solutions.

- v. In general, the poor have to be at the centre of poverty reduction initiatives and specifically the choice of technologies (to be used) should be appropriate for the skills of the poor in order to maximise their potential and content should receive as much attention as connectivity. This content must be *people-centred and demand (need) driven*. Priority on content should be given to health, agriculture & weather, education and access to services.
- vi. It is important to embed ICT in other development / poverty reduction initiatives such as universal education, agricultural development (e.g. NAADS), cooperatives and village banks.
- vii. Introduction of ICT should be done in ways that will *particularly target the young* to help them to overcome the limitations they have inherited as a result of the social-economic limitations of their families or communities. This implies emphasis on ICT in education since countries that have focused their ICT interventions on the young have achieved great changes in their productive structures in relatively short time.
- viii. Generally, attempts to use ICT for poverty reduction are more effective when they are synchronised with other development-related policies and should aim at targeted interventions in sector-specific strategies such as health, agriculture, micro-finance and education. ICT should be embedded in such sector strategies. Conversely, *poverty concerns should be integrated in ICT policies* and regulation.
- ix. The poor in general and women in particular should be catered for and involved in ICT4D decision making processes. A cadre of rural knowledge managers should be catalysed consisting mostly of women in order to maximise development impact and to help bridge the gender-divide.
- x. Access to affordable and renewable energy is important for poverty alleviation in general and for ICT-related interventions.

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- xi. One of the objectives of a universal access policy should be to identify and help mitigate some of the key barriers to the development of disadvantaged communities by establishing poverty-focused intervention programmes that will impact the lives of target communities in a poverty reducing way.
  - xii. The choice of implementation partners should not be overly based on those that can implement handed-down ideas but should include those having their own ICT4D visions to encourage and support them in accomplishing such visions.
  - xiii. There is need for partnerships at both the local and national levels that will typically involve players in local governance, health, education, agriculture and research.
  - xiv. There are usually *challenges* to ICT initiatives that are sometimes neglected to the detriment of the planned programmes. Common challenges include<sup>i</sup> :
    - a) The potential beneficiaries are often unskilled, illiterate, living in remote areas and speaking only a local language.
    - b) There are usually social and political factors that are ICT independent which must be addressed.
    - c) Lack of electricity and other infrastructure that complicate deployment.
    - d) The tendency to neglect the needs and options for the poor which may result in non-sustainability.
    - e) Poverty reduction and development take time, so short-duration interventions may fail to achieve the desired impact. Significant investment that is sustained over time will be required to fully integrate ICT into the development processes. It takes education, empowerment, capacity building (say of local administration or for energy sources) and these are medium to long term processes.
    - f) The pace of technology change that often renders equipment obsolete within a matter of years.
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## Annex 1

Table 3: Projected revenue and Expenditure

US DOLLARS '000	2010/11	2011/12	2012/13	2013/14	2014/15	Total	
UCC Levy	5,500	5,775	6,064	6,367	6,685	30,391	74.3%
Government Budget						0	
World Bank	2,500	3,000	2500	0	0	8,000	19.6%
Other Development Partners	0	0	0	1,000	1,500	2,500	6.1%
<b>Subtotal (Donor Funds)</b>	<b>2,500</b>	<b>3,000</b>	<b>2,500</b>	<b>1,000</b>	<b>1,500</b>	<b>10,500</b>	
<b>Total Revenue</b>	<b>8,000</b>	<b>8,775</b>	<b>8,564</b>	<b>7,367</b>	<b>8,185</b>	<b>40,891</b>	100%
<b>Expenditure</b>							
Public Pay Phones (support micro-enterprises)	300	250	200	150	100	1,000	2.4%
Establishment of CICs	0	900	1,300	0	0	2,200	5.4%
IT Facilities for Education institutions	3,000	2,000	1,500	1,364	1,000	8,864	21.7%
IT Facilities for service delivery points	0	1,020	1,140	1,260	1,380	4,800	11.7%
Content Development & Disbursement	100	100	200	300	300	1,000	2.4%
ICT4RD Local innovations e.g. Technological incubators	125	125	250	250	250	1,000	2.4%
Regional ICT centres of excellence	150	150	150	225	225	900	2.2%
Broadband Infrastructure Support	0	2,000	2,500	2,500	3,500	10,500	25.7%
BPO	0	300	300	300	300	1,200	2.9%
Postal services' modernization Initiative	1,000	1,000	1,000	1,000	1,000	5,000	12.2%
ME&IA	37	37	37	38	38	187	0.5%
Promotion and sustainability	74	75	75	76	77	377	0.9%
Counterpart funding to Development Partner funding	325	390	325	130	195	1,365	3%
<b>Subtotal</b>	<b>5,111</b>	<b>8,347</b>	<b>8,978</b>	<b>7,593</b>	<b>8,365</b>	<b>38,393</b>	
RCDF Administration Costs including salaries/retainer	452	475	498	523	549	2,498	6.1%
<b>Total Expenditure</b>	<b>5,563</b>	<b>8,821</b>	<b>9,476</b>	<b>8,116</b>	<b>8,914</b>	<b>40,891</b>	100.0%