
Sector: ICT and National Guidance

Foreword

This Budget Framework Paper for ICT and National Guidance Sector has been prepared in fulfilment of the requirements under Section 9 of the Public Finance Management Act 2015.

As you may be aware, the original ICT sector was expanded to include Information and National Guidance. The sector is currently composed of the following institutions in addition to representatives from the Private Sector, Development Partners and Civil Society:

Ministry of ICT and National Guidance

Uganda Communications Commission;

Uganda Post Limited;

National Information Technology Authority-Uganda;

Uganda Institute of Information and Communications Technology

Uganda Broadcasting Corporation; and

The Uganda Media Centre

This BFP articulates the sector's contribution to the NDP II; the Medium Term Sector Policy Objectives; sector challenges; the performance for first quarter FY 2017/18; summary of performance for FY 2016/17; outcome indicators and projections for the period FY 2016/17 to FY 2020/21; and Planned Outputs for FY 2018/19.

I take note of the Government's central focus for the next three years of attaining a lower middle income status by 2020. The sector can contribute towards realization of this aspiration through creation of efficiency and effectiveness within Government and the private sector. The efficiency and effectiveness can be achieved through reduction of costs of doing business (to lower the cost of communication and bandwidth by investment ICT infrastructure). Additionally, ICT as a business provides Government with revenue generation avenues and creates employment opportunities in the sector.

However, the sector ceilings have remained unacceptably low especially for the Ministry to make meaningful contribution to the objectives and targets set in the NDP II. The withdrawal of shs. 20bn for UBC revamp will undermine the current progress beginning to be realized to develop UBC into a national broadcasting Centre of excellence to educate and guide the public and promote citizen's participation in national development programmes.

The following key priorities remain largely unfunded:

- a) Investment in Satellite Technology
 - b) Investment in ICT Innovation and Research (UGX 2.0bn)
 - c) Revamping UBC as a National Public Broadcaster (UGX 10bn)
 - d) Government Citizens Interaction Centre (0.9bn)
 - e) Branding Uganda-finalize and present a branding policy/strategy to Cabinet (0.8bn)
 - f) Turning postal network into a one stop centre for Gov't services UGX 6.1bn
 - g) Transforming the Uganda Institute of Information and Communications Technology at Nakawa into a Center of Excellence for ICT and electronics (6.9bn)
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The resource envelope for the sector for FY 2018/19 is ugx 332.14bn broken down as follows:

Ministry of ICT & National Guidance: UGX 23.90bn;

NITA- U: UGX 85.16bn

UCC: UGX 110.62bn

Posta Uganda: UGX 20.45bn

UICT 4.33bn

UBC 87.68bn

It is my pleasure to present the ICT & National Guidance Sector BFP for FY 2018/19.

Hon. Frank Tumwebaze (MP)

Minister of ICT & National Guidance

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Abbreviations and Acronyms

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S1: Sector Overview

This section provides an overview of Sector Expenditures and sets out the Sector's contribution to the NDP, its policy objectives, and key performance issues.

(i) Snapshot of Sector Performance and Plans*

Table S1.1 Overview of Sector Expenditure (Ushs Billion)

	2016/17	2017/18		2018/19	MTEF Budget Projections			
	Outturn	Approved Budget	Spent by End Sep	Proposed Budget	2019/20	2020/21	2021/22	2022/23
Recurrent								
Wage	6.867	8.389	1.834	8.389	9.228	9.690	10.174	10.683
Non Wage	21.780	44.128	5.911	25.946	31.654	36.402	43.682	52.419
Devt.								
GoU	1.774	17.487	0.341	17.487	21.334	25.601	25.601	25.601
Ext. Fin.	0.730	34.339	0.215	57.238	59.603	0.000	0.000	0.000
GoU Total	30.420	70.004	8.085	51.822	62.216	71.693	79.458	88.703
Total GoU+Ext Fin (MTEF)	31.150	104.343	8.299	109.060	121.819	71.693	79.458	88.703
A.I.A Total	15.858	28.916	4.802	19.532	35.112	44.566	43.799	48.316
Grand Total	47.008	133.260	13.102	128.592	156.931	116.259	123.257	137.019

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(ii) Sector Contributions to the National Development Plan

The ICT and National Guidance Sector contributes directly and indirectly towards NDP II aspiration of “Strengthening Uganda’s Competitiveness for Sustainable Wealth Creation, Employment and Inclusive Growth”.

The ICT sector has been identified as one of the primary drivers to achieve desired growth towards actualising the middle income status. Government has put in place an enabling environment that has seen the ICT sector grow at a cumulative annual growth rate of over 25% with significant growth seen in areas of mobile communications, computer applications, information processing, storage and dissemination as well as financial inclusion using mobile telephony platforms, e-finance, global connectivity and online trade. Over the NDP I period, the ICT sector contribution to GDP averaged at 3.1 percent and significantly contributed to national revenue.

The current sector target is to increase its contribution to Government revenue from 8.1% (2012/13) to 10% (2020) and to increase the employment in the ICT from 1 million (2012/13) to 3 million (2020).

Given the role of ICT in creating efficiency and effectiveness in production of goods and services, the sector has a great potential to contribute towards Uganda’s competitiveness. This can be achieved through reduction of costs of doing business (to lower the cost of bandwidth by investment ICT infrastructure) while acknowledging the role of both the private sector and government. The cost of bandwidth is projected to reduce from USD 300 per Mbps per month (2016); USD 70 (2017) and USD 50 by 2020;

The above achievements will be strengthened through the following:

Improved Policy, Legal and Regulatory environment

Responsive tax regimes

Innovation for employment and inclusive growth

Human resource capacity building

E-services (E-visa, online registration of businesses, One stop center, electronic single window, e-customs, e-tax)

Attitude and Mindset change

The above interventions are in line with NDP II objectives and interventions 11.4.2 para 562:

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(iii) Medium Term Sector Policy Objectives

Improve the legal and regulatory frameworks to respond to the industry needs

Increase job creation through ICT `Research and Innovation Fund to support innovation;

Establish ICT parks and model regional incubation centres /hubs to encourage innovation and creation of local content.

Extend the National Backbone Infrastructure (NBI) to cover the entire country so as to increase penetration of communication services;

Continue implementation of the migration from analogue to digital terrestrial broadcasting;

Extend communications network coverage;

Put in place a framework to enforce infrastructure sharing to reduce the cost of communications;

Enhance the usage and application of ICT services in business and service delivery.

Increase the stock of ICT skilled and industry ready workforce.

Improve the information security system to be secure, reliable, resilient and capable of responding to cyber security threats.

Promote an informed, engaged and oriented citizenry that supports socio-economic transformation

Transform the Uganda Institute for Information and Communications Technology (UICT) into a Centre of Excellence (CoE)

Create a National Address Management System.

Automate Postal services operations and expand the postal services network to all sub-counties

(iv) Sector Investment Plans

Construction of the ICT Innovation Centre at Nakawa
Extension of ICT infrastructure (NBI)

Office Furniture and fittings

Motor Vehicles

Operationalization of the Government Information Call Centre (GICC)

ICT equipment for Ministry and the ICT Innovation Center at Nakawa

Renovation of Classroom Block at UICT

Table S1.2 SECTOR OUTCOMES AND OUTCOME INDICATORS

Sector Outcome : Industry responsive ICT legal and regulatory framework

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Sector Objectives contributed to by the Sector Outcome							
1. Improve the legal and regulatory frameworks to respond to the industry needs.							
Sector Outcome Indicators	Performance Targets						
	2016/17	2017/18	Base year	Baseline	2018/19	2019/20	2020/21
Proportion of service providers adhering to the ICT regulations			2017	55%	70%	75%	80%
Sector Outcome : Efficient e-governance and e-transactions.							
Sector Objectives contributed to by the Sector Outcome							
1. Enhance the secure usage and application of ICT services in business and service delivery							
Sector Outcome Indicators	Performance Targets						
	2016/17	2017/18	Base year	Baseline	2018/19	2019/20	2020/21
Proportion of population with access to postal services			2008	2%	81%	85%	85%
Number of licenced Televisions			2015	67	36	40	45
Sector Outcome : Increased ICT penetration							
Sector Objectives contributed to by the Sector Outcome							
1. Increase access to ICT infrastructure to facilitate exploitation of the development priorities							
Sector Outcome Indicators	Performance Targets						
	2016/17	2017/18	Base year	Baseline	2018/19	2019/20	2020/21
Tele-density			2013	51.3%	65%	70%	75%
Internet Penetration			2015	17.83%	24.88%	29.0%	35.0%
Level of compliance to ICT sector policies, laws and regulations			2017	55%	70%	73%	75%
Shared National Vision, National interest, National Values and the Common Good							

S2: PROGRAMME OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATIONS ALIGNED TO THE NDP

Table S2.1: Programme Outcomes and Outcome Indicators Aligned to the NDP

Vote 020 :Ministry of ICT and National Guidance	
Programme :	01 Enabling enviroment for ICT Development and Regulation
Programme Objective :	To provide an enabling environment for ICT Development and Regulation in the ICT sector
Responsible Officer:	Director Information Technology and Information Management Services
Programme Outcome:	Competitive and vibrant ICT sector

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<i>Sector Outcomes contributed to by the Programme Outcome</i>					
1. Increased ICT penetration					
Programme Performance Indicators	Performance Targets				
	2016/17 Actual	2017/18 Actual	2018/19 Target	2019/20 Target	2020/21 Target
• Proportion of formal (registered) ICT enterprises		0	33%	40%	45%
• ICT Industry compliance rates			70%	73%	75%
Programme :	02 Effective Communication and National Guidance				
Programme Objective :	To ensure effective communication and national guidance				
Responsible Officer:	Director Information and National Guidance				
Programme Outcome:	Increased citizen participation in national programmes				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
1. Increased employment in the ICT sector					
Programme Performance Indicators	Performance Targets				
	2016/17 Actual	2017/18 Actual	2018/19 Target	2019/20 Target	2020/21 Target
• Proportion of population aware of national development programmes.		60.5%	66%	68%	70%
Programme :	49 General Administration, Policy and Planning				
Programme Objective :	To provide policy guidance, strategic direction and to generate sector statistics to inform sector planning and policy review				
Responsible Officer:	Under Secretary, Finance and Administration				
Programme Outcome:	Harmonized and compliant Policy, Planning and Administrative documents /reports with existing legal, Policy & planning frameworks				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
1. Increased ICT penetration					
Programme Performance Indicators	Performance Targets				
	2016/17 Actual	2017/18 Actual	2018/19 Target	2019/20 Target	2020/21 Target
• Level of compliance of plans & reports to national frameworks, guidelines & timelines (%)		95%	90%	95%	100%
Vote 126 :National Information Technology Authority					
Programme :	04 Electronic Public Services Delivery (e-transformation)				
Programme Objective :	To strengthen efficiency in delivery of public services through the deepening of e-government services				

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Responsible Officer:	Peter Kahiigi				
Programme Outcome:	Improved efficiency and effectiveness in public service delivery				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
1. Increased ICT penetration					
Programme Performance Indicators	Performance Targets				
	2016/17 Actual	2017/18 Actual	2018/19 Target	2019/20 Target	2020/21 Target
• Level of electronic access of established eServices		N/A to be determined through survey	55%	60%	65%
Programme :	05 Shared IT infrastructure				
Programme Objective :	To ensure harmonized, optimized and resilient IT infrastructure to ensure improved access connectivity to IT infrastructure and services				
Responsible Officer:	Vivian Ddambya				
Programme Outcome:	Resilient, optimized and harmonized infrastructure deployment				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
1. Increased ICT penetration					
Programme Performance Indicators	Performance Targets				
	2016/17 Actual	2017/18 Actual	2018/19 Target	2019/20 Target	2020/21 Target
• Level of uptake of IT infrastructure and associated services		N/A to be determined through survey	30%	40%	50%
Programme :	06 Streamlined IT Governance and capacity development				
Programme Objective :	To establish an enabling environment for development and regulation of IT in the country through enhancing capacity of NITA-U to deliver its mandate.				
Responsible Officer:	James Kamanyire				
Programme Outcome:	Improved compliance with IT regulations and standards				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
1. Efficient e-governance and e-transactions.					
Programme Performance Indicators	Performance Targets				
	2016/17 Actual	2017/18 Actual	2018/19 Target	2019/20 Target	2020/21 Target
• Level of compliance with IT related legislation and standards		55%	70%	75%	80%

Table S2.2: Past Expenditure Outturns and Medium Term Projections by Programme

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Billion Uganda shillings Programme Service	FY 2016/17	FY 2017/18		2018-19	Medium Term Projections			
	Outturn	Approved Budget	Actual Releases by end Sep	Proposed Budget	2019-20	2020-21	2021-22	2022-23
Vote : 020 Ministry of ICT and National Guidance								
01 Enabling environment for ICT Development and Regulation	0.681	8.518	0.535	1.335	1.791	2.004	2.318	2.318
02 Effective Communication and National Guidance	0.876	21.771	1.917	3.771	4.358	4.858	5.299	5.299
49 General Administration, Policy and Planning	4.874	11.795	1.402	18.795	22.801	27.188	28.382	30.705
Total for the Vote	6.431	42.083	3.854	23.901	28.950	34.051	35.999	38.322
Vote : 126 National Information Technology Authority								
04 Electronic Public Services Delivery (e-transformation)	0.000	36.253	0.276	59.153	61.939	2.803	2.803	2.803
05 Shared IT infrastructure	0.000	15.669	1.936	15.771	20.031	22.574	27.007	32.526
06 Streamlined IT Governance and capacity development	0.000	10.337	2.233	10.235	10.900	12.265	13.649	15.052
51 Development of Secure National Information Technology (IT) Infrastructure and e-Government services	15.210	0.000	0.000	0.000	0.000	0.000	0.000	0.000
53 Strengthening and aligning NITA-U to deliver its mandate	9.510	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total for the Vote	24.720	62.260	4.445	85.159	92.869	37.642	43.459	50.381
Total for the Sector	31.150	104.343	8.299	109.060	121.819	71.693	79.458	88.703

S3: Sector Interventions for 2018/19

Sector Challenges in addressing gender and equity issues for FY 2018/19

Low ICT literacy among women

Low employment of women in ICT sector

Inequitable access to information and usage of ICTs by women

Inadequate resources to address critical gender issues

Lack of in-house gender policy