

Sector: Information and Communications Technology

S1: Sector Overview

This section provides an overview of sector expenditures and proposed medium term budget allocations, policy objectives, and key performance issues.

(i) Snapshot of Medium Term Budget Allocations

Table S1.1 below summarises the Medium Term Budget allocations for the Sector:

Table S1.1: Overview of Sector Expenditures (US\$ Billion)

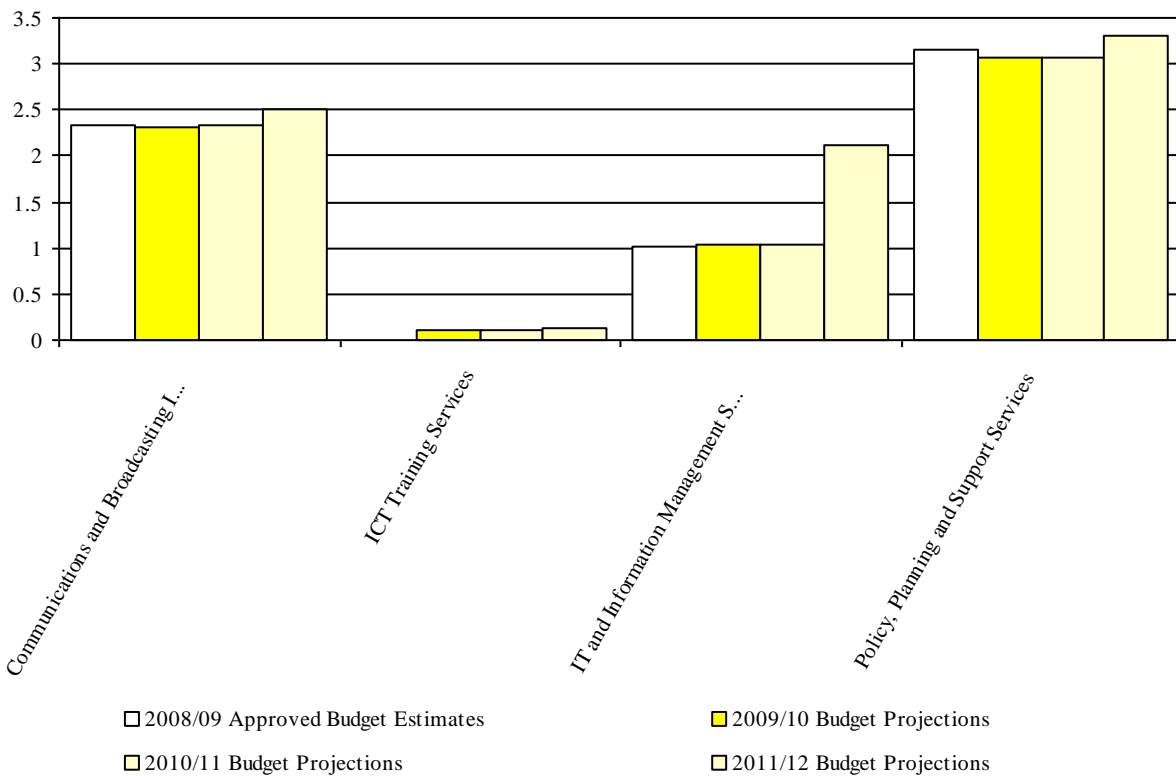
	2007/08 Outturn	2008/09		MTEF Budget Projections		
		Approved Budget	Half 1 Outturn	2009/10	2010/11	2011/12
Recurrent	Wage	0.3	0.6	0.1	0.6	0.7
	Non Wage	1.6	1.6	0.5	1.7	2.0
Development	GoU	3.9	4.3	0.6	4.3	5.3
	Donor*	0.0	0.0	0.0	0.0	0.0
	GoU Total**	5.8	6.5	1.3	6.5	8.0
	Grand Total	5.8	6.5	1.3	6.5	8.0

* Donor expenditure data unavailable

** Excludes taxes, arrears and non tax revenues retained and spent by vote

The chart below shows overall funding allocations to the sector by Vote Function over the medium term:

Chart S1.1: Medium Term Budget Projections by Vote Function (US\$ Billion)



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(ii) Medium Term Sector Policy Objectives

The sector objectives which guide medium term outputs and resource allocations are:

1. To increase geographical coverage and tele-density of telecommunications services with a high quality of service;
2. To have in place a balanced and coordinated national and regional communications infrastructure;
3. To promote equitable access to affordable and innovative communication services with specific emphasis on rural areas;
4. To establish and enforce a regulatory framework that promotes the development of the sector;
5. To provide affordable and accessible postal services countrywide;
6. To provide high quality broadcasting infrastructure countrywide;
7. To promote use of information technologies in all spheres of life to enhance efficiency and effectiveness;
8. To provide high quality market-driven and sustainable training, research and consultancy services that support the ICT sector.

(iii) Key Sector Performance Issues to be addressed over the Medium Term

The sector considers the following issues crucial to address over the medium term, to improve sector performance and the achievement of sector policy objectives

- Insufficient or lack of legal framework in the country to regulate the sector
- Poor road condition and of electricity supply especially in the rural areas affected the people from exploit
- There is insufficient No. of IT specialist (human resources) in the country especially in the rural areas
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S2: Past Sector Performance and Medium Term Plans

This section describes past and future performance, in terms of key sector outputs and plans to address key sector performance issues and achieve sector objectives.

(i) Past and Future Planned Sector Outputs

2007/08 Performance

Liberalisation of the telecommunications sector and investor confidence led to its phenomenal rapid expansion. There are currently 5 telecommunications operators; mobile subscribers increased from 5 million end of 2007 to 8 million by end of 2008. Fixed lines have increased from 137,000 to 190,000 and mobile phone penetration increased to 21 lines per 100 inhabitants up from 8 lines per 100 inhabitants in 2005. The uplink internet have reached 287mbps, up from 215mbps in 2006. In order to improve efficiency and effectiveness in service delivery through utilisation of ICT technologies, the ministry installed e-government network in 27 ministries and connected 5 districts to the National Backbone Data Transimission. A BPO strategy was developed and e-government applications to run the e-government network was developed. The ministry plans to connect 20 districts to national backbone in the meduim term; develop strategies and plans for transition from analogue to digital broadcasting; review and develop a regulatory framework for the sector; promote BPO industry; promote ICT software and hardware development; and conutinue providing technical support supervision and monitoring of the sector performance. Business Process Outsourcing (BPO) can be defined as the strategic use of third-party service providers to perform activities traditionally handled by internal staff and resources. The primary objective is to cut operational costs.

Performance for the first half of the 2008/09 financial year

In FY 2008/09 the Ministry of ICT developed the National ICT Policy, harmonized the Regional ICT Policy and drafted cyber bill. Under the NBI, the Ministry developed the GoU portal which will be used for sharing information amongst government institutions.

Table S2.1: Past and Medum Term Key Sector Output Indicators*

Vote Function Key Output Indicators and Costs:	2007/08	2008/09		MTEF Projections		
	Outturn	Approved Plan	Half 1 Outturn	2009/10	2010/11	2010/12
Vote: 020 Ministry of Information & Communications Tech.						

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Vote Function Key Output Indicators and Costs:	2007/08 Outturn	2008/09 Approved Plan	Half 1 Outturn	MTEF Projections		
				2009/10	2010/11	2010/12
<i>Vote Function:0501 IT and Information Management Services</i>						
No. of major policies and bills	0	0	3	4	4	3
Average time taken to develop policies, bills and regulations	0	0	1	2	2	2
No. of Gov't Institutions operating E-Gov't Services		5	Sites selected	10	10	10
Number of registered BPO operators						
no. of capacity building sessions held		4		4	6	6
<i>Cost of Vote Function Services (US\$ bn)</i>	<i>0.35</i>	<i>1.02</i>	<i>0.11</i>	<i>1.03</i>	<i>1.04</i>	<i>2.11</i>
<i>Vote Function:0502 Communications and Broadcasting Infrastructure</i>						
No. of policies developed		2		3	3	3
no of monitoring reports		4	2	4	4	4
Number of quality assurance issues						
No. of districts covered						
number of stations built						
<i>Cost of Vote Function Services (US\$ bn)</i>	<i>2.04</i>	<i>2.33</i>	<i>0.55</i>	<i>2.31</i>	<i>2.33</i>	<i>2.50</i>
<i>Vote Function:0549 Policy, Planning and Support Services</i>						
ICT Policy and Strategic plan produced				1	1	1
quarterly/annual summary reports				4	4	4
Financial statements and Audit reports prepared	1	1	1	1	1	1
Recruitment and appraisal of all staff carried out						
Policies discussed and approved		3	2	4	4	4
<i>Cost of Vote Function Services (US\$ bn)</i>	<i>3.41</i>	<i>3.15</i>	<i>0.63</i>	<i>3.06</i>	<i>3.06</i>	<i>3.30</i>
<i>Vote Function:05V1 ICT Training Services</i>						
No. of students trained						
% of diploma examinations passed						
% of retaken exams						
<i>Cost of Vote Function Services (US\$ bn)</i>				<i>0.10</i>	<i>0.10</i>	<i>0.12</i>
Cost of Vote Services (US\$ Bn)	5.8	6.5	1.3	6.5	6.5	8.0
Cost of Sector Services (US\$ Bn)	5.8	6.5	1.3	6.5	6.5	8.0

* Table S5.1 at the end of this section provides more details of outputs planned for 2009/10 and achievements in the first half of 2008/09

2009/10 Planned Outputs

In FY 2009/10 the Ministry is Planning to harmonize the National ICT Policy, make operational the Cyber law, establish Computer Emergency Respond Team (CERT) and harmonize ICT standards across government institutions for ease sharing of information.

Medium Term Plans

In the medium term the Ministry of ICT will develop E-Policy, and set guidelines for soft and hardware development, expand broadcasting and postal services to cover the whole country, promote the use of computers in both rural and urban areas in government service delivery, expand training capacity at UICT, and recruit staff to fill the established position.

(ii) Plans to Improve Sector Performance

The key sector performance issues include insufficient regulatory and legal framework for regulating sector activities, inadequate IT human resource base, especially in the rural areas, infrastructure particularly in the rural areas.

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Under the IT and Information Management Services, the Ministry will develop the BPO strategy for the Country and subsequently market Uganda as a preferred (BPO) destination. Business Process Outsourcing (BPO) can be defined as the strategic use of third-party service providers to perform activities traditionally handled by internal staff and resources. The primary objective is to cut operational costs. Under the National Information Technology Authority – Uganda (NITA-U), the Ministry will coordinate, supervise and monitor the information technology initiatives in the sectors; set monitor and regulate standards for information technology planning, acquisition, implementation, delivery, support, organization, sustenance, risk management, data protection, security, and contingency planning; Identify and advise Government on all matters of information technology development, utilisation and deployment including networking, systems development, information technology security, training and support.

To address these issues, the Ministry is in the process of reviewing and developing policies, laws and regulations as well as adapting a regulatory and coordinating framework through a stakeholder consultation forum for better coordination.

The Ministry is in the process of developing a strategy and plans for migration to digital broadcasting and will carry out sensitization and awareness creation of all stakeholders in this regard. Strategies to create synergies for increased investment will be developed in conjunction with other line Ministries including; Energy, Works and Transport, MOFPED, Lands, MGLSD, Security and MOES among others. Furthermore it will advocate on zero rate taxes set-up-boxes and related accessories.

The sector is in the process of carrying out training needs assessment and developing a training tool. The ministry plans to have continuous IT human resource development through capacity building and skills development under the ICT training Services.

Table S2.2: Specific 2009/10 Actions and Medium Term Strategy to Improve Sector Performance

2009/10 Planned Actions:	MT Strategy:	Responsible Vote and Vote Function:
Sector Performance Issue: Insufficient or lack of legal framework in the country to regulate the sector		
-Develop, review the existing policies, laws and regulations;	-Carry out studies in related field to inform policy;	020 Ministry of Information & Communications Tech. 05 02 <i>Communications and Broadcasting Infrastructure</i>
-Develop strategy and plans for migration to digital broadcasting; Sensitisation and awareness creation to all stakeholders; train human resource.	-Facilitate the upgrade of the existing analogue to digital broadcasting system; Advocate for zero rate taxes on Set-top-boxes and related accessories; Continue with sensitisation of all stakeholders; and continue with human resource development.	020 Ministry of Information & Communications Tech. 05 02 <i>Communications and Broadcasting Infrastructure</i>
Develop policies and promote greater stakeholder involvement (public/private sectors) in policy making,	Conduct field studies and research to strengthen and inform policy making process.	020 Ministry of Information & Communications Tech. 05 01 <i>IT and Information Management Services</i>
Sector Performance Issue: Poor road condition and of electricity supply especially in the rural areas affected the people from exploiting the potential of ICT		
Develop new strategies in conjunction with other line ministries (MOFPED, Energy, Works etc) to create synergy for increased investment.	Scale up strategies in conjunction with line ministries to create synergy for increased investment	020 Ministry of Information & Communications Tech. 05 02 <i>Communications and Broadcasting Infrastructure</i>
Sector Performance Issue: There is insufficient No. of IT specialist (human resources) in the country especially in the rural areas		
Ensure that MOES fulfils the necessary transfer to facilitate operational costs	Increase budgetary allocation for ICT training	020 Ministry of Information & Communications Tech. 05 V1 <i>ICT Training Services</i>

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Implement and operationalise the BPO strategy and model for Uganda	Involve BPO Operators, potential investors and Government agencies in the dissemination of the BPO strategy	020 Ministry of Information & Communications Tech. 05 01 IT and Information Management Services
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(iii) Off-Budget Activities

The sector has no off-budget activities.

(iv) Contributions from other Sectors

Improvement and expansion of power supply to rural areas; improved road networks; comprehensive social mobilisation and increased resource envelop.

(v) The Impact on Sector Outcomes and the Achievement of Sector Objectives

The expansion and implementation of the National Backbone Data Transmission will increase the internet speed and increase access to e-services by both the public and private. Telecommunication services will also expand thus increasing the geographical coverage of transmission. (to dicussed)

Table S2.3: Current Status and Future Forecasts for Sector Outcome Indicators

Outcome Indicator	Baseline	Medium Term Forecast
No. of fixed lines	137,000 (2007)	190,000 (2010)
No. of telecommunication providers entering the market	4 in one year (2008)	8 in one year (2010)
Average Internet speed (kbps)	287 Mbps (2007)	300 Mbps (2010)
Phone penetration (phones per no. of people)	21% (2007)	25% (2010)
Computer penetration (computer per person)	4% (2006)	8% (2010)

S3 Proposed Budget Allocations for 2009/10 and the Medium Term

This section sets out the proposed sector budget allocations for 2009/10 and the medium term, including major areas of expenditures and any notable changes in allocations.

(i) The Total Budget over the Medium Term

The overall total budget allocation for the sector has been maintained at Ushs. 6.50bn in 2009/10 which was the same in FY 2008/09; rising slightly to Ushs 6.53 bn in the FY 2010/11 and 2011/12. The wage bill budget and the non wage budget were maintained at Ushs. 0.595bn and 1.65bn respectively.

(ii) The major expenditure allocations in the sector

FY 2009/10

The allocations among the vote functions are as follows; In FY 2009/10 Policy Planning and Support Services has the biggest allocation of Ushs. 3.06bn (47.1%), followed by Communication and Broadcasting Infrastructure with budget of Ushs 2.31bn (35.5%). IT and Information Management Services has a budget of Ushs1.03bn (15.8%) and ICT training Services with the budget of Ushs. 0.1bn (1.5%) .

FY 2010/11

The allocations among the vote functions where as follows; In FY 2010/11 Policy Planning and Support Services has the biggest allocation of Ushs. 3.06bn (46.9%) followed by Communication and Broadcasting Infrastructure with budget of Ushs 2.33bn (35.7%). IT and Information Management Services had a budget of Ushs1.04bn (15.9%) and ICT training Services with the budget of Ushs. 0.1bn (1.5%)

FY 2011/12

The allocations among the vote functions where as follows; In FY 2011/12 Policy Planning and Support Services has the biggest allocation of Ushs. 3.08bn (40.0%) followed by Communication and Broadcasting Infrastructure with budget of Ushs 2.46bn (31.9%). IT and Information Management Services had a budget of Ushs2.06bn (26.8%) and ICT training Services with the budget of Ushs. 0.1bn (1.3%)

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(iii) The major planned changes in resource allocations within the sector

The major expenditure allocations in the sector in 2009/10 and in the medium term will continue to be the National data Transmission Backbone and e-Government infrastructure project of Ushs 1.8 billion over the medium term. There are no major changes in resource allocation to the various vote functions. Policy Planning and Support Services continues to receive the biggest share of the resource (44%) while ICT Training Services will receive the least resources (1.4%)

Table S3.1: Past Expenditure and Medium Term Projections by Vote Function

	2007/08 Outturn	2008/09		MTEF Budget Projections		
		Approved Budget	Half 1 Outturn	2009/10	2010/11	2011/12
Vote: 020 Ministry of Information & Communications Tech.						
0501 IT and Information Management Services	0.35	1.02	0.11	1.03	1.04	2.11
0502 Communications and Broadcasting Infrastructure	2.04	2.33	0.55	2.31	2.33	2.50
0549 Policy, Planning and Support Services	3.41	3.15	0.63	3.06	3.06	3.30
05 V1 ICT Training Services				0.10	0.10	0.12
Total for Vote:	5.8	6.5	1.3	6.5	6.5	8.0
Total for Sector:	5.8	6.5	1.3	6.5	6.5	8.0

S4: Sector Challenges for 2009/10 and the Medium Term

This section sets out the major challenges the sector faces in 2009/10 and the medium term which the sector has been unable to address in its spending plans.

Inadequacy or absence of the necessary legal framework has led to the weakness in private sector regulation and monitoring. Furthermore, Infrastructure constraints (lack of electricity) in rural areas has hampered expansion/development of Communications/Broadcasting infrastructure across the country.

Inadequate staffing levels at the ministry necessary for policy and supervision activities is a big challenge to the sector. Similarly Delays and bureaucratic processes in policy development beyond the ministry's control.

S5: Details of Key Vote Function Outputs Planned for 2009/10

This table below sets out the key outputs under every vote function achieved in the first half of 2008/09 and planned for 2009/10.

Table S5.1: Past and 2009/10 Planned Outputs from Sector Expenditures

Vote, Vote Function Output	Approved Budget and Planned outputs	2008/09 Half 1 Actual Spending and Outputs Achieved	2009/10 Proposed Budget and Planned Outputs
Vote: 020 Ministry of Information & Communications Tech.			
<i>Vote Function: 0501 IT and Information Management Services</i>			
Output: 050101 Enabling Policies, Laws and Regulations developed	Harmonised regional and national IT policy. Cabinet memo prepared, harmonised standards. Cyber laws enacted. National Information technology Authority (NITA-U Bill passed)	National IT policy developed, Harmonised regional ICT policy developed, Cyber bills drafted and gazetted. NITA U bill tabled before Parliament. Harmonized regional cyber laws develop	Harmonised national Ict policy, Cyber laws operationalised. Computer Emergency Response Team Established.. Harmonised IT standard across government

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Vote, Vote Function Output	Approved Budget and Planned outputs	2008/09		2009/10
		Half 1 Actual Spending and Outputs Achieved		Proposed Budget and Planned Outputs
Output: 050102 E-government services provided	Complete Phase II of the National Backbone Project involving laying 1,542km of optic fibre cable. MoICT website	GoU portal developed. Monitoring reports. Implementation frameworks for District business Information Centres (DBICS)		National information security working group set up. Monitoring government websites for compliance. Technical guidance given to all government institutions and ministries
Output: 050103 BPO industry promoted	Develop BPO strategy and model for Uganda	BPO strategy and model for Uganda developed and desiminated. Cabinet memo prepared.		BPO strategy and model for Uganda. Implementation framework developed. Marketing Uganda as a BPO Destination. Reviving and strenthening BPO association
Output: 050104 Hardware and software development industry promoted	Promotion of development of soft and hardware industry in Uganda. Build capacity for IT in Government	On-going consultation with Microsoft		e- waste policy developed. Set standard for hard and soft ware in Uganda. Set gudelines for refurbishment. Set standards and guidelines for imporation
Output: 050105 Human Resource Base for IT developed	Build capacity for ICT in Government	Monitored the provision of Laptop computers for public servants. Technical support to government institutions. Monitored the distribution of computers to schools in Uganda. Trained public servant on migration from IPv4 to IPv6. Trainned institutions		Develop framework for provision of computers in schools. Harmonise IT syllbus in both primary and secondary schools. Training guide develop. Build capacity for IT in government. Advocacy for computer penetration. Coordinate reginal projects
Output: 050172 Buildings & Other Structures	Set up physical infrastructure in collaboration with the districts	Set up physical infrastructure in collaboration with the districts		Set up physical infrastructure in collaboration with the districts
Output: 050176 Office and IT Equipment (including Software)	Office and IT equipment procured	Office and IT equipment procured		Office and IT equipment procured
Output: 050177 Machinery & Equipment	ICT support machinaries (Generators,transformers, switching gears, cable break detectors)	ICT support machineries (Generators,transformers, switching gears, cable break detectors)		ICT support machinaries (Generator,Transformers, switching gears, cable break detectors)
Output: 050178 Furniture and Fixtures	Furniture and fixtures procured	Furniture and fixtures procured		Furniture and fixtures procured
<i>Cost of Vote Function Services</i>	<i>US\$ Bn:</i>	<i>1.02</i>	<i>US\$ Bn:</i>	<i>0.11</i>
<i>Vote Function:0502 Communications and Broadcasting Infrastructure</i>				<i>US\$ Bn:</i>
Output: 050201 Policies, Laws and regulations developed	Planned development of two policies. Four (4) stakeholders consultations	No policy was developed. Two (2) stakeholders consultations were made.		Development of three (3) policies. Holding 4 consultations with the stake holders
Output: 050202 Sub-sector monitored and promoted	Four (4) monitoring of sub-sector activities	Monitored the sub-sector twice		Quarterly monitoring of the sub-sector
Output: 050203 ICT infrastructure developed	Number of districts covered.Quality of service delivered. Duration of delivery of service			Number of districts covered.quality of service delivered. Duration of delivery of service

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<i>Vote, Vote Function Output</i>	Approved Budget and Planned outputs	2008/09 Half 1 Actual Spending and Outputs Achieved	2009/10 Proposed Budget and Planned Outputs
Output: 050272 Buildings & Other Structures	Number of stations built. Adherence to bill of quantities		Number of stations built. Adherence to bill of quantities
Output: 050277 Machinery & Equipment	No. of equipment procured. Specification adhered to. Duration of delivery		No. of equipment procured. Specification adhered to. Duration of delivery
<i>Cost of Vote Function Services</i>	<i>US\$ Bn: 2.33</i>	<i>US\$ Bn: 0.55</i>	<i>US\$ Bn: 2.31</i>
<i>Vote Function:0549 Policy, Planning and Support Services</i>			
Output: 054901 Policy, consultation, planning and monitoring services	Policies developed. Sector strategic plan developed. Sector BFP produced. Sector workplan developed. Preparation of quarterly progress report. Preparation of ministerial policy statements	ICT policies developed and are in place.consultation reports are available. Initiated work of sector BFP. Quarterly monitoring reports for Q1 and q2 are available	ICT policy and strategic plan. Hold eight (8) stakeholders consultation meetings. Produce quarterly and annual performance reports. Pan African e-network coordinated. Hole in the wall project monitored
Output: 054902 Ministry Support Services (Finance and Administration)	Preparation of one (1) financial statement and audit report prepared. Recruitment and appraisal of all staff. Preparation of one (1) procurement plan for the Ministry	One (1) financial statement and audit report prepared.One (1) procurement plan prepared	Preparation of one (1) financial statement and audit report prepared. Recruitment and appraisal of all staff. Preparation of one (1) procurement plan for the Ministry
Output: 054903 Ministerial and Top Management Services	Submission of three (3) Cabinet memos. Discussion and approval of three (3) policies. Approval of Sector BFP	Submitted two (2) Cabinet memos. Discussed and approved three (2) policies	Submission of four (4) Cabinet Memos. Discussion and approval of four (4) policies
<i>Cost of Vote Function Services</i>	<i>US\$ Bn: 3.15</i>	<i>US\$ Bn: 0.63</i>	<i>US\$ Bn: 3.06</i>
<i>Vote Function:05V1 ICT Training Services</i>			
Output: 05V151 ICT Training Services			
Output: 05V152 ICT Training (Uganda Institute of ICT)	No of diploma level students trained and graduated. No of examinations passed		No of diploma level students trained and graduated. No of examinations passed
<i>Cost of Vote Function Services</i>	<i>US\$ Bn:</i>	<i>US\$ Bn:</i>	<i>US\$ Bn: 0.10</i>
Cost of Vote Services:	<i>US\$ Bn: 6.5</i>	<i>US\$ Bn: 1.3</i>	<i>US\$ Bn: 6.5</i>
Cost of Sector Services:	<i>US\$ Bn: 6.5</i>	<i>US\$ Bn: 1.3</i>	<i>US\$ Bn: 6.5</i>