

Section 3: Information and Communications Technology Sector

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

Table S1.1: Overview of Sector Expenditures (US\$ Billion, excluding taxes and arrears)

	2014/15 Outturn	2015/16		MTEF Budget Projections		
		Approved Budget	Spent by End Sept	2016/17	2017/18	2018/19
Recurrent						
Wage	5.970	6.907	1.598	6.907	7.252	7.615
Non Wage	4.412	10.230	1.906	9.955	11.847	13.979
Development						
GoU	2.661	2.592	0.214	2.592	3.111	3.577
Ext. Fin.	0.000	44.251	0.000	2.616	12.603	31.693
GoU Total	13.043	19.729	3.717	19.455	22.210	25.172
Total GoU+Ext Fin. (MTEF)	13.043	63.980	3.717	22.071	34.813	56.865
<i>Non Tax Revenue</i>	<i>0.000</i>	<i>29.465</i>	<i>4.167</i>	<i>38.548</i>	<i>41.000</i>	<i>2.000</i>
Grand Total	13.043	93.444	7.883	60.619	75.813	58.865

* Excluding Taxes and Arrears

(ii) Sector Contributions to the National Development Plan

The sector contributes to the NDP objective of socio-economic transformation of Uganda's economy through the use of Information and Communications Technology. Strategies and Interventions include: Enhanced access to quality, affordable, and equitable ICT services country wide, Investment in infrastructure and services for improved access to quality ICT services, Building competent human resource capacity in the sector, and develop and implement a policy, legal and regulatory framework for systematic services country wide.

(iii) 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

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that support the ICT sector.

(iv) Summary of Sector Performance

The status of the sector in terms of its three priority sector outcomes is set out below:

Outcome 1: Improved service delivery through ICTs

Telephone subscriptions stands at 19.5 million by June 2014, representing a tele-density of 53.3 lines per 100 people.

Number of active internet subscriptions stands at 4.3 million by June 2014 compared to 3.4 million by December 2013.

The number of internet users stands at 8.5 million as of June 2014 compared to 6.8 million in June 2013.

Outcome 2: Improved access and utilisation of quality and affordable ICT resources and services in all spheres of life.

The number of licensed TV stations is 67 with 62 operational. There are 229 licensed FM radio stations, out of which 208 are operational. The volume of Expedited Mail Services (EMS) courier items stood at 181,000 and ordinary mail was 881,000 (June 2014). The Number of registered Mobile money subscribers was 17.64 million June 2014 up from 12.12 million in June 2013. The value of transactions increased to 18.645 trillion as at December 2013 compared to 11.6 trillion in December 2012.

Outcome 3: Improved contribution of ICT to employment, income and growth.

The sector's contribution to economic growth in terms of share of GDP stands at 2%,

Employment in the ICT sector was estimated at over 1.3 million people by December, 2014.

Revenue collection (VAT, PAYE and exercise duty) from telecom companies increased by 25% from Ushs.332 Bn in December 2013 to UGX. 416.7Bn in December 2014.

S2: Sector Performance and Plans to Improve Sector Outcomes

This section describes past performance and plans to improve sector outcomes. For each outcome it sets out outcome indicators, key sector outputs and actions to improve sector performance. It then sets out analysis of the efficiency of sector allocations and major capital investments.

(i) Outcome 1: Improved service delivery through ICTs

Status of Sector Outcomes

The table below sets out the status of sector outcomes in terms of key sector outcome indicators.

Table S2.1: Sector Outcome Indicators

<i>Outcome 1: Improved service delivery through ICTs</i>			
Outcome and Outcome Indicator	Baseline	2016/17 Target	Medium Term Forecast
No. of MDA providing services online	20 (2012)	40	40 (2016)
No. of LGs transforming to a higher level of e-government services	4 (2012)	10	20 (2016)
No. of e-government services provided online	5 (2010)	10	15 (2016)

Table S2.2: Performance Targets FY2016/17 Contributing to the Sector Outcome*

<i>Outcome 1: Improved service delivery through ICTs</i>			
Vote, Vote Function Key Output	Approved Budget and Targets	2015/16 Spending and Targets Achieved by End Sept	2016/17 Proposed Budget and Planned Targets
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		
<i>Performance Indicators:</i>			
No. of dissemination activities carried out	5	1	5

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<i>Outcome 1: Improved service delivery through ICTs</i>				
<i>Vote, Vote Function Key Output</i>	<i>Approved Budget and Targets</i>	<i>2015/16 Spending and Targets Achieved by End Sept</i>	<i>2016/17 Proposed Budget and Planned Targets</i>	
Status of ICT Policy Development				7. Policy Implementation
Status of data protection and privacy policy	5	5		7
Status of the IMS policy Development				
<i>Output Cost (US\$ bn):</i>	<i>1.313</i>	<i>0.197</i>		<i>0.721</i>
Output: 050102	E-government services provided			
<i>Performance Indicators:</i>				
No. of technical activity reports produced	4	1		4
No. of monitoring activities undertaken	4	1		4
<i>Output Cost (US\$ bn):</i>	<i>0.212</i>	<i>0.024</i>		<i>0.120</i>
<i>Vote Function: 0502 Communications and Broadcasting Infrastructure</i>				
Output: 050201	Policies, Laws and regulations developed			
<i>Performance Indicators:</i>				
No. of policies developed				2 policies developed
<i>Output Cost (US\$ bn):</i>	<i>1.083</i>	<i>0.090</i>		<i>0.773</i>
Output: 050202	Sub-sector monitored and promoted			
<i>Performance Indicators:</i>				
No. of monitoring and evaluation activities carried conducted	4	1		4
<i>Output Cost (US\$ bn):</i>	<i>0.260</i>	<i>0.069</i>		<i>0.167</i>

* Excludes taxes and arrears

Table S2.3: Actions and Medium Term Strategy to Improve Sector Outcome

<i>Sector Outcome 1: Improved service delivery through ICTs</i>			
<i>2015/16 Planned Actions:</i>	<i>2015/16 Actions by Sept:</i>	<i>2016/17 Planned Actions:</i>	<i>MT Strategy:</i>
Vote: 020 Ministry of Information & Communications Tech.			
Vote Function: 05 01 IT and Information Management Services			
		Promotion of e-government services	Promotion of IT services; Implement the IPV6 migration strategy; Set up a testbed for IPV6;
Vote Function: 05 02 Communications and Broadcasting Infrastructure			
		Development of the infrastructure sharing policy aimed at reducing operational costs of telecom operators	Develop the ICT strategy and investment plan and lobby for more resources
Vote Function: 05 49 Policy, Planning and Support Services			
Conduct regular data collection	none	Develop the Sector Statistics Plan in partnership with UBOS	Implementation of the Statistics Plan for ICT Sector.
Implementation of the ICT Sector Strategic Investment Plan	None	Finalisation/approval of the SIP; Preparation of project proposals for possible funding and preparation of an issue paper to MFPED	Attract and lobby for Development Partners for Funding to the Proposed Programmes and Projects

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(ii) Outcome 2: Improved access and utilisation of quality and affordable ICT resources and services in all spheres of life.

Status of Sector Outcomes

The table below sets out the status of sector outcomes in terms of key sector outcome indicators.

Table S2.1: Sector Outcome Indicators

<i>Outcome 2: Improved access and utilisation of quality and affordable ICT resources and services in all spheres of life.</i>			
Outcome and Outcome Indicator	Baseline	2016/17 Target	Medium Term Forecast
Proportion of households with a radio	30 (2008)	70	75 (2016)
Proportion of household with a TV	12 (2011)	15	20 (2016)
National Tele-density (percentage number of fixed lines and mobile lines)	27% (2008)	55	65 (2016)
% of population utilization postal services (no. of letter boxes)	2 (2008)	2	2 (2016)
% of households accessing internet	1 (2011)	2	4 (2016)
% of households accessing broadband internet	1 (2012)	2	5 (2016)

Table S2.2: Performance Targets FY2016/17 Contributing to the Sector Outcome*

<i>Outcome 2: Improved access and utilisation of quality and affordable ICT resources and services in all spheres of life.</i>			
<i>Vote, Vote Function Key Output</i>	<i>Approved Budget and Targets</i>	<i>2015/16 Spending and Targets Achieved by End Sept</i>	<i>2016/17 Proposed Budget and Planned Targets</i>
Vote: 020 Ministry of Information & Communications Tech.			
<i>Vote Function: 0501 IT and Information Management Services</i>			
Output: 050102	E-government services provided		
<i>Performance Indicators:</i>			
No. of technical activity reports produced	4	1	4
No. of monitoring activities undertaken	4	1	4
<i>Output Cost (US\$ bn):</i>	0.212	0.024	0.120
Output: 050105	Human Resource Base for IT developed		
<i>Output Cost (US\$ bn):</i>	0.061	0.015	0.100
<i>Vote Function: 0502 Communications and Broadcasting Infrastructure</i>			
Output: 050201	Policies, Laws and regulations developed		
<i>Performance Indicators:</i>			
No. of policies developed			2 policies developed
<i>Output Cost (US\$ bn):</i>	1.083	0.090	0.773
Output: 050202	Sub-sector monitored and promoted		
<i>Performance Indicators:</i>			
No. of monitoring and evaluation activities carried conducted	4	1	4
<i>Output Cost (US\$ bn):</i>	0.260	0.069	0.167
Output: 050203	Logistical Support to ICT infrastructure		
<i>Performance Indicators:</i>			
No. of MDAs supported	5	2	5
<i>Output Cost (US\$ bn):</i>	0.353	0.018	0.120

* Excludes taxes and arrears

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Table S2.3: Actions and Medium Term Strategy to Improve Sector Outcome

<i>Sector Outcome 2: Improved access and utilisation of quality and affordable ICT resources and services in all spheres of life.</i>			
2015/16 Planned Actions:	2015/16 Actions by Sept:	2016/17 Planned Actions:	MT Strategy:
Vote: 020 Ministry of Information & Communications Tech.			
Vote Function: 05 49 Policy, Planning and Support Services			
Negotiate for waiver of taxes on ICT related products		Motivation of staff through opportunities for capacity building	Improving conditions of service

(iii) Outcome 3: Improved contribution of ICT to employment, income and growth.
Status of Sector Outcomes

The table below sets out the status of sector outcomes in terms of key sector outcome indicators.

Table S2.1: Sector Outcome Indicators

<i>Outcome 3: Improved contribution of ICT to employment, income and growth.</i>			
Outcome and Outcome Indicator	Baseline	2016/17 Target	Medium Term Forecast
Value of Investment in ICTs in US Dollars (FDI and Domestic)	3 (2008)		()
Number of people employed in ICTs	1,500,000 (2011)	2,000,000	3,000,000 (2016)
% contribution of ICTs to GDP.	4 per year (2008)	2.0	2.5 (2016)

Table S2.2: Performance Targets FY2016/17 Contributing to the Sector Outcome*

<i>Outcome 3: Improved contribution of ICT to employment, income and growth.</i>				
<i>Vote, Vote Function Key Output</i>	<i>Approved Budget and Targets</i>	<i>2015/16 Spending and Targets Achieved by End Sept</i>	<i>2016/17 Proposed Budget and Planned Targets</i>	
Vote: 020 Ministry of Information & Communications Tech.				
Vote Function: 0501 IT and Information Management Services				
Output: 050102	E-government services provided			
<i>Performance Indicators:</i>				
No. of technical activity reports produced	4	1	4	
No. of monitoring activities undertaken	4	1	4	
<i>Output Cost (US\$ bn):</i>	0.212	0.024	0.120	
Output: 050103	BPO industry promoted			
<i>Output Cost (US\$ bn):</i>	0.015	0.004	0.060	
Output: 050104	Hardware and software development industry promoted			
<i>Performance Indicators:</i>				
No. of software and hardware promotion initiatives undertaken		1	2	
No. of MDAs & LGs supported		6	12	
Status of implementation of the institutionalization of ICT function in Government			The Strategy was developed and submitted to Ministry of Public service for implementation	
<i>Output Cost (US\$ bn):</i>	0.047	0.008	0.050	
Vote Function: 0502 Communications and Broadcasting Infrastructure				
Output: 050201	Policies, Laws and regulations developed			
<i>Performance Indicators:</i>				
No. of policies developed			2 policies developed	

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<i>Outcome 3: Improved contribution of ICT to employment, income and growth.</i>			
<i>Vote, Vote Function Key Output</i>	<i>Approved Budget and Targets</i>	<i>2015/16 Spending and Targets Achieved by End Sept</i>	<i>2016/17 Proposed Budget and Planned Targets</i>
<i>Output Cost (US\$ bn):</i>	1.083	0.090	0.773
Output: 050202	Sub-sector monitored and promoted		
<i>Performance Indicators:</i>			
No. of monitoring and evaluation activities carried out	4	1	4
<i>Output Cost (US\$ bn):</i>	0.260	0.069	0.167
Output: 050203	Logistical Support to ICT infrastructure		
<i>Performance Indicators:</i>			
No. of MDAs supported	5	2	5
<i>Output Cost (US\$ bn):</i>	0.353	0.018	0.120

* Excludes taxes and arrears

Table S2.3: Actions and Medium Term Strategy to Improve Sector Outcome

<i>Sector Outcome 3: Improved contribution of ICT to employment, income and growth.</i>			
2015/16 Planned Actions:	2015/16 Actions by Sept:	2016/17 Planned Actions:	MT Strategy:
Vote: 020 Ministry of Information & Communications Tech.			
Vote Function: 05 01 IT and Information Management Services			
	Not applicable		
	Not applicable	An organisation established and operationalised to manage the country code Top Level Domain as it transits from a private individual operator to NICug.	Set up the Units; Build Capacity for ICT personnel across government; Provide technical support supervision.
Vote Function: 05 02 Communications and Broadcasting Infrastructure			
	Not applicable	Developing a National Broadband Strategy;	Scale up strategies in conjunction with line ministries to create synergy for increased investment in ICT Infrastructure

(ii) Efficiency of Sector Budget Allocations

Emphasis will be put on Performance based management to ensure maxim performance and value for money: Integration of government IT systems and consolidation of licenses to benefit from economies of scale.

(iii) Sector Investment Plans

The major capital investment in the sector is implementation of Phase III of the National Broadband Infrastructure project estimated to cost Shs 2Bn and its part of the approved EXIM Bank loan of USD 106M obtained from China.

Table S2.4: Allocations to Class of Output over the Medium Term

<i>Billion Uganda Shillings</i>	<i>(i) Allocation (Shs Bn)</i>				<i>(ii) % Sector Budget</i>			
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
Consumption Expenditure(Outputs Provided)	47.0	59.8	74.7	57.0	50.3%	98.6%	98.5%	96.8%
Grants and Subsidies (Outputs Funded)	0.0	0.0			0.0%	0.0%		
Investment (Capital Purchases)	46.4	0.8	1.2	1.9	49.7%	1.4%	1.5%	3.2%
Grand Total	93.4	60.6	75.8	58.9	100.0%	100.0%	100.0%	100.0%

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S3 Proposed Budget Allocations for 2016/17 and the Medium Term

This section sets out the proposed sector budget allocations for 2016/17 and the medium term, including major areas of expenditures and any notable changes in allocations.

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

	2014/15 Outturn	2015/16		Medium Term Projections		
		Appr. Budget	Spent by End Sept	2016/17	2017/18	2018/19
Vote: 020 Ministry of Information & Communications Tech.						
0501 IT and Information Management Services	0.421	1.648	0.247	1.052	1.644	1.852
0502 Communications and Broadcasting Infrastructure	0.419	1.696	0.178	1.059	1.652	1.859
0549 Policy, Planning and Support Services	2.575	8.720	1.046	8.039	8.281	9.426
Total for Vote:	3.415	12.064	1.471	10.150	11.577	13.137
Vote: 126 National Information Technology Authority						
0551 Development of Secure National Information Technology (IT) Inf	1.694	67.670	3.900	36.007	42.449	34.141
0552 Establishment of enabling Environment for development and regu	0.341	1.160	0.079	1.365	3.190	0.000
0553 Strengthening and aligning NITA-U to deliver its mandate	7.594	12.551	2.433	13.096	18.598	11.587
Total for Vote:	9.629	81.381	6.412	50.469	64.237	45.728
Total for Sector:	13.043	93.444	7.883	60.619	75.813	58.865

* Excluding Taxes and Arrears and including NTR

(i) The major expenditure allocations in the sector

Under NITA-U, the biggest allocation for GoU funding for FY 2016/17 is on two vote functions; namely (1) Vote function 0553 Strengthening and aligning NITA-U to deliver its mandate of UGX 9.47 BN mainly catering for staff salaries and emoluments. And, vote function 0551 Development of secure National Information.

Technology (IT) Infrastructure and e-Government services. The biggest project is National Backbone Infrastructure (NBI) project will total annual allocation of UGX 1.62 BN excluding external financing. This amount largely caters for implementation of Phase III, upgrading the capacity of the NBI and re-designing of the NBI. If we consider the budget in totality (GoU and NTR) the major expenditure allocations for Vote 126 are; Bulk procurement of Internet for government and lastmile connectivity to MDAs and LGs.

The Ministry of Information and Communication Technology has three vote functions, six programs and one project. In the FY 2016/17, the budget allocation at vote function and program level is as follows:

Vote Function 0549: Policy, Planning and Support Services was allocated Shs 5.421Bn of which Shs 5.291Bn was allocated to Program 01: Headquarters and Shs 0.130Bn to Program 06: Internal Audit.

Vote Function 0501: Information Technology and Information Management Services was allocated Shs 1.052Bn of which Shs 0.536Bn was allocated to Program 02: Information Technology and Shs 0.516Bn to Program 03: Information Management Services.

Vote Function 0502: Communication and Broadcasting Infrastructure was allocated Shs 1.052Bn of which Shs 0.536Bn was allocated to Program 04: Broadcasting Infrastructure Department and Shs 0.536Bn to Program 05: Telecommunication and Posts.

On the other hand a total budget of Shs 2.621Bn was allocated to Project 0990: Strengthening Ministry of ICT.

Table S3.2: Major Changes in Sector Resource Allocation

* Excluding Taxes and Arrears

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S4: Unfunded Outputs for 2016/17 and the Medium Term

This section sets out the highest priority outputs in 2016/17 and the medium term which the sector has been unable to fund in its spending plans.

Table S4.1: Additional Output Funding Requests

Additional Requirements for Funding and Outputs in 2016/17	Justification of Requirement for Additional Outputs and Funding
<i>Vote Function: 0501 IT and Information Management Services</i>	
Output: 0501 01 Enabling Policies, Laws and Regulations developed	
<p><i>Funding Requirement (US\$ Bn): 5.760</i></p> <p>A Policy on use of e-mail, internet and social media by Government developed,</p> <p>Uganda's Top level domain handed over from an Individual operator to a multi stakeholder entity (ccTLD relegation)</p> <p>National Broadband Policy finalised,</p> <p>Strategy for increasing access of ICT devices to Special Interest Groups developed,</p> <p>Open Source policy and strategy developed,</p> <p>National ICT Infrastructure Structural Plan developed,</p> <p>ICT solutions supported in other sectors,</p> <p>e-learning pilot sites renovated and handed over to respective schools and institutions,</p> <p>Strategy for promoting the development and use of local content developed,</p> <p>Digital Content Production Management Center operationalized</p> <p>e-waste Management Policy implementation guidelines disseminated</p>	<p><i>To strengthen the ICT policy, legal and regulatory framework and promote access to and utilisation of ICT services.</i></p>