OVERVIEW OF THE ICT POLICY IN KENYA

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Located on the eastern seabed of Africa

Bordering: Indian Ocean & Somalia to the East, Ethiopia to the North, Tanzania to the South and Uganda to the West

Rises from 0 – 5,200 meters above sea level

Area is 582,650 km²

Population is about 34 million
Economy

- Agriculture is the main economic activity
  - Accounts for more than 70% of exports
  - Tea, coffee and horticulture
- Services account for almost 60% of GDP-with transport and communications (10.9%) of which postal & telecommunication is (2.5%)
- Main export destinations – COMESA, EAC, EU and Asia
- Economic growth 5.8% in 2005/06 - projected to rise to over 6% this year
Communications Industry Players

- Communication industry is under the Ministry of Information & Communications (MoIC)
- Communications Commission of Kenya (CCK) – the Regulator
- National Communications Secretariat – Policy Advisor
- The Appeals Tribunal – Arbitrator
- Operators and service providers
- Consumers
Current Legislative Framework

- Kenya Communications Act 1998
- Kenya Communications Regulations 2001
- ICT Sector Policy Guidelines 2006
- Other Laws of Kenya
Functions of CCK

- Licensing of new players
- Tariff and Interconnection
- Ensuring compliance to set communication standards, Licensing Conditions including Universal service obligations and Quality of service
- Managing spectrum & numbering resources
- Consumer protection and empowering,
- Universal Access
Market Structure - Overview

- Facility Based Network Operators
  - Local Loop Network Operators (19)
  - National Long-Distance Operators (1)
  - International Network Operators (3)
  - Data (Local & International) Network Operators (12)
  - Cellular Mobile Network Operators (2)
- Applications Service Providers
  - ISPs (53)
  - Value Added Services providers e.g. Premium Rate Service Providers (42)
  - Resale Services providers (4)
- Customer Premises Equipment Vendors & Contactors (384)
Status of the telecom industry

- Number of fixed lines – 300,000
- Number of mobile subscribers – 7.2 million
- % of area under mobile cover - 28%
- % of population covered by fixed and mobile network combined - 24%
- An estimated 2.7 million internet users
ICT Policy in Kenya

Policy Vision
• A prosperous ICT-driven Kenyan society

Policy Mission
• To improve the livelihoods of Kenyans by ensuring the availability of accessible, efficient, reliable and affordable ICT services

Policy Challenge
• Lack of adequate infrastructure which has hampered provision of efficient and affordable ICT services
Pillars of ICT policy

• Kenya’s National ICT Policy (2005)
  • Based on four key pillars namely:
    – Telecommunication services,
    – Broadcasting services,
    – E-Commerce and
    – IT services and Postal Services.

  • The Strategy is based on four guiding principles,
    – infrastructure development,
    – human resource development,
    – stakeholder participation and
    – appropriate policy and regulatory framework
# The Pillars of Kenya's ICT Strategy

## Key Objectives
Job Creation, Investments, Enabled environment, GDP Growth, Innovation

<table>
<thead>
<tr>
<th>IT Services</th>
<th>Broadcasting</th>
<th>Telecomm</th>
<th>Postal Services</th>
<th>Future Pillars</th>
</tr>
</thead>
</table>

## Stakeholders
- Government
- ICT Regulators
- ICT Appellate Tribunal
- ICT Advisory Policy Secretariat
- Development Partners
- Civil Society
- Inventors and Operators
- Consumers and Users

## Strategies
- Education and Training
- Infrastructure
- Recruitment and Retention
- Marketing Networking and Promotion
- Business, Support & Investment
- New Development Opportunities
- Market Intelligence and Research

<table>
<thead>
<tr>
<th>ICT Roles</th>
<th>Options for Development</th>
<th>Objectives of Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessing information and knowledge</td>
<td>ICT knowledge industries;</td>
<td>Accelerating growth;</td>
</tr>
<tr>
<td>Accelerating transactions and reducing costs</td>
<td>All-purpose technology for modernization;</td>
<td>Participating in ICT-enabled industries and software; services;</td>
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<tr>
<td>Networking and empowering</td>
<td>Infrastructure for networking and service delivery</td>
<td>Reducing poverty;</td>
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- Promoting participative public accountability and social learning.
Goals of ICT Policy

- Attracting and stimulating investment
- Liberalization of the sector
- Licensing of new players in the various telecommunications market segments;
- ICT-driven Kenyan society
- Availability of accessible, efficient, reliable and affordable ICT services;
- CCK to regulate all ICT operators- IT and Broadcasting;
- Financing and development of UA thro’ a USO fund
Key objectives of ICT Policy

- Deployment and exploitation of information, knowledge and technology within the economy and society
- An attractive destination for ICT-related FDI
- Become a competitive regional/international ICT and business hub.
- Highly competitive ICT-led value-added and export orientated services sector
- Dynamic knowledge-based, technology-driven light modern industrial sector which is export-led and globally competitive;
- Research and development capacity
- Modernize Kenya’s educational system
Implementation of ICT strategy

- Overall task under MoIC
- Inter-sectoral Task Groups (drawn from public, private and civil society sectors)
- ICTs National Steering Committee.
  - Provide an alternative socioeconomic development path guided by the development, deployment and exploitation of ICTs within the different sectors of the economy.
Key Sectors

- Education
  - Interconnect all secondary schools by 2010
  - Interconnect all primary schools by 2015
- Health
  - E-health to all health centres
- Public sector
  - E-government for all district headquarters
- Agriculture
  - Marketing, networking and promotions
Role of ICT

- ICT is both a sector and an enabler of other sectors of the economy e.g. agriculture
- Accessing information and Knowledge
- Accelerating transactions and reducing costs
- Job creation for a growing youthful population
- Investment opportunities--ICT outsourcing i.e. BPO destination.
- Development, production and sale of information, knowledge, and technology products and services.
- Economic Growth and poverty reduction
The Framework envisioned to drive Kenya’s ICT Strategy for Economic Growth

KENYA’S ICT STRATEGY

- Business Support and Investment
- Market Intelligence and Research
- Industrial Incubation
- Recruitment and Retention
- New Development Opportunities
- Education and Training
- Marketing, Networking and Promotions
Present status of ICT Sector

• Fully liberalised and fairly developed
  – with 2 Mobile Operators, 3 International Gateways, 19 Local Loop Operators, over 50 Courier Operators, 20 Public Data Network Operators, and 53 Internet Service Providers

• ICT sector as a whole is under-developed
  – Few SMEs concentrating in retailing & distributive activities of computer products and services, computers peripherals and standard application software and packages.

• Local assembly of computer hardware systems such as personal computers on a limited scale.
  – Minimal activity in production and development of ICT products
Success in implementation

• The policy is yet to be enacted into Law
• Development of ICT strategy
• Launch of Universal Access project by CCK
  • School-based ICT centres are basically communications facilities set up within school premises to provide ICT training, e-mail service and Internet access -16 schools
  • 4 community based Tele-centers
• E-government
• Madaraka Computer project- Incubators
Incentives to SMEs

- Sector fully liberalized
- Tax waivers on computers
- Local Loop Operators
- Cyber cafes,
- community/public payphones- Simu ya Jamii
- Business incubators
- USO-F targeting the rural areas, the marginalized, and the poor
- New licensing strategy offering concessions and tax rebates to operators in the marginalized areas
Africa Regional Communication Infrastructure Program- RCIP

• Aims to address the “missing link” and improve access to international connectivity
• 20 East and Southern African countries are not connected to the global optical fiber broadband infrastructure.
• Kenya, Burundi and Madagascar are in 1st phase = US$164.5m ($114.4m to Kenya)
• In Kenya, the funding is supporting E-government
• The national backbone fiber optic cable is interconnecting all district headquarters
• The East African Marine System interconnects Mombasa to Fujairah
Future Challenges

- Decentralize the high concentration of ICT services in the urban areas.
- Ensure high speed data connections via undersea cables- TEAMS and EASSy
- Digital Villages – More school-based capacity building and community tele-centers
- Migration from analogue to digital broadcasting technologies
- Implementation of RCIP
  - By the end of the RCIP, it is expected that all capitals and major cities in East and Southern Africa would be linked to competitively priced high-bandwidth connectivity. This will equip Africa to trade on a level playing field, extend education beyond the classrooms, and accelerate good governance.
Asante Sana

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