THE REPUBLIC OF UGANDA

ICT Sector Semi-Annual Performance FY 2016/17: Who were the achievers?

OVERVIEW

The Information and Communications Technology (ICT) sector is mandated to provide strategic and technical leadership, overall coordination, support and advocacy on all matters of policy, laws, regulations and strategy for sustainable, effective and efficient development. In addition, it is for harnessing and utilization of ICT in all spheres of life to enable the country achieve its development goals.

The sector constitutes of two votes namely: Ministry of ICT and National Guidance (MoICT and NG), and National Information Technology Authority (NITA-U).

The overall sector objectives as outlined in the National Development Plan II are to:

- Increase access to ICT infrastructure to facilitate exploitation of the development priorities.
- Enhance the usage and application of ICT services in business and service delivery.
- Increase job creation through ICT research and development.
- Increase the stock of ICT skilled and industrial ready workforce.
- Improve the information security system to be secure, reliable, resilient, and capable of responding to cyber security threats.
- Improve the legal and regulatory frameworks to respond to the industry needs.

This policy brief presents the half year (FY 2016/17) ICT sector performance against annual targets; as well as the implementation challenges.

KEY ISSUES

- Low ICT technical capacity within ministries, departments and agencies to support systems.
- Insufficient counterpart funding to meet the financing needs of the ICT projects such as Rural Communication Infrastructure Programme (RCIP).
- Delays in procurement approvals (securing "no objection") particularly from the World Bank on the RCIP project.

SECTOR PLANNED OUTPUTS FY2016/17

The key deliverables for the ICT sector for the FY2016/17 include: development and dissemination of ICT policies, laws and regulations; produce a report on post codes for Kampala; completion of Phase III of the National Transmission Backbone Infrastructure (lay 536Kms of fiber optic cables and three transmission sites); Installation of the Closed Circuit Television (CCTV) for all transmission sites and Network Operating Centre (NOC); connect seventy one (71) additional Ministries, Departments and Agencies (MDA) sites to the National Backbone Infrastructure (NBI); deliver Internet to 35 additional entities, provide Wireless Internet (MYUG Wi-Fi) to 110 sites around Kampala and Entebbe; publish and gazette ICT regulations (Certification of Providers of IT Services and Products and Authentication of IT Training); undertake preliminary activities to set the Rural Communication Infrastructure Project (RCIP) rolling and secure financing from the World Bank.

Methodology: Primary data was collected using a combination of random and purposive sampling methods, by the Budget Monitoring and Accountability Unit (BMAU) in January and February 2017. Field work covered all the development projects in the sector and recurrent programmes under NITA-U. Financial data was sourced from the Integrated Financial Management System (IFMS) and performance reports from the sector entities. A Weighted Scoring Method was used to rate the achievement of outputs against the approved budgets and releases.

Performance Rating: Very Good (90% +); Good (70%-89%); Fair (50%-69%) and Poor (Less than 50%).

Findings

Financial Performance

The ICT sector budget for the FY2016/17 is Ug shs 79.9billion, of which 12% (Ug shs 9.77billion) is for the MoICT and NG and 88% (Ug shs 70 billion) for NITA-U (Table 1). The budget outturn by 31st December, 2016 was 37.8% of the annual budget.

This was due to poor performance of the external financing (0%) from both the World Bank and Exim Bank of China. At least Ug shs 23.7billion (78.7%) of the released funds were absorbed during the period under review, with NITA-U recording the highest expenditure at Ug shs 19.9billion (81%) while MoICT and NG was at Ug shs 3.8 billion.

Table 1: Sector Budget Allocation and Outturn by 31st December, 2016 (Ug shs billion)

Institution	Approved budget	Budget Outturn	% Released	Expenditure	% Spent
MoICT	9.772	5.612	57.4	3.810	67.9
NITA-U	70.223	24.625	35.1	19.984	81.2
Total	79.995	30.237	37.8	23.794	78.7

Source: MoICT, NITA-U and IFMS

Physical performance

The **overall sector performance was good, rated at 76%.** Performance of the development projects - RCIP, National Transmission Backbone Infrastructure (NBI) and Strengthening Ministry of ICT had mixed performance with the NBI project exceeding performance targets in spite of limited disbursement from the Exim Bank of China.

The **recurrent programmes of the NITA-U** achieved 70% of the targets; which was due to sizeable releases from Non-Tax Revenue (NTR) to the departments of Technical Services, Information Security and e-Government Services.

The **RCIP project** physical progress was estimated at 74% with seven out of eleven outputs fully completed, two on-going and one had not taken off. The achieved convenants included recruitment of a project accountant, manager and procurement specialists, establishing a project office, undertaking procurement training, and automation of accounting system among others. The pending convenant is funding of e-Procurement operational costs by Government of Uganda (GoU) which was provisioned in FY2017/18.

Under the **Phase III of the NBI project,** 99.9% of the targets were achieved; the 536Kms of optic fiber cable were laid/installed through the districts of Masindi, Hoima to Kyenjojo, and Mbarara, Ntungamo to Kabale. The three transmission sites in Masaka, Mutukula and Kabale were substantively completed awaiting final configurations. Installation of the Closed Circuit Television (CCTV) for all transmission sites and the Network Operations Centre (NOC) was near completion.

The MoICT and NG **produced the first draft policy on the use of Internet, email and social media;** the E-waste Management guidelines were disseminated, sensitization and awareness campaign on the computer misuse, the e-transactions and the e- Signatures Acts were carried out in five districts of Ibanda, Kiruhura, Iganga, Bugiri and Mayuge. A zero draft of the Cyber City Strategy was produced.

Technical support and guidance was provided to eight Local Governments (LGs) of Kaberamaido, Kumi, Soroti, Katakwi, Hoima, Masindi, Kiboga, and Nakasongola in the development and implementation of institutional ICT policies. The **draft Spectrum Management Policy was developed;** and a report on postcodes for Kampala was produced. The NITA-U (Certification of Providers of IT Services and Products) Regulations and NITA-U (Authentication of IT Training) Regulations were published in the Uganda Gazette in November 2016. The IT Certification Engine functionality training and User Acceptance were conducted in November 2016.

Under the NITA-U recurrent outputs; **50 additional MDA sites** were connected to the NBI by half year bringing the total number of sites connected to 183. **Internet bandwidth was delivered to 35 MDA sites,** bringing the total number utilizing Internet over the NBI to 129.

One hundred and six (106) Wi-Fi sites (hotspots) were launched around Kampala Metropolitan area **(MYUG Wi-Fi sites).** The network is made available free to users during off peak hours (6:00pm – 6:00am daily). Continuous monitoring to assess impact of the MYUG project was on-going to address any technical glitches.

Under the **Government Citizen's Interaction Centre** (GCIC); Call Centre and Knowledge Management Modules were completed and powered by two (2) telecommunication companies (MTN and Airtel). The User Acceptance Tests (UAT) and operations of the GCIC commenced in January 2017 with six communication agents and six call centre operators responding and or referring to responsible entities questions about government services.

Under **capacity building,** the World Bank approved the Expression of Interest (EoI) for procurement of the consultant to develop the strategy for institutionalization of the communication function in government and the advertisement for expression of interest was published. The 7th African Conference on Free Open Source Software (IDLELO7) was successfully hosted. The IDLELO conference report highlighting key learning's was developed and disseminated.

The **National Information Security Framework (NISF) compliance assessment** was conducted in three institutions; Uganda National Council for Science and Technology (UNCST), Ministry of Finance, Planning and Economic Development (MFPED) and the Uganda High Commission – Kigali.

Information Security alerts and advisories were provided to National Computer Emergency Response Team (CERT). They include; Threat Intel Advisories to CERT constituents disseminated on Joomla and Linux High Critical Vulnerabilities and Incident Response to MDAs with Ransomware incidents.

Key Implementation Challenges

i.   Low ICT technical capacity within MDAs to support the systems.

ii. Insufficient counterpart funding to meet the financing needs of the RCIP projects as per agreement.

iii. Delays in securing procurement approvals/ no objection particularly from the World Bank on the RCIP project.

iv. Resistance to integration of IT systems for government agencies resulting in duplication of effort and non-optimal use of resources

v.   Depreciation of the Uganda shillings against the United States Dollars causing a shortfall in rent requirements for the MoICT and NG.

Recommendations

i.   The NITA-U and MFPED should prioritize counterpart funding of the RCIP Uganda project.

ii. The Ministry of Public Service, MFPED, Public Service Commission and MoICT and NG should review the ICT staff establishment at MDAs with a view of recruiting and posting some staff to agencies that do not have any.

iii. The MoICT and NG, and NITA-U should develop a change management strategy and roll it out to MDAs to enable officers appreciate benefits of adopting new technologies.

iv. The MoICT and NG should ensure that its subsequent tenancy agreement currency is in Uganda shillings[1]. Arrangements should be made to have the rent shortfall cleared to avoid domestic arrears.

References

- MFPED: Semi-Annual Budget Monitoring Report; FY2016/17

- National Planning Authority (2015); Second National Development Plan (NDP II) 2015/16-2019/20

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[1] *Existing Contract currency in US dollars signed in 2014 before MFPED pronouncement for all contracts to be in Uganda shillings*

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