Opening Your World

**Draft 3**

# USF STRATEGIC PLAN 2022 – 2026
# April 2022

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# EXECUTIVE SUMMARY

The development of the 2022-2026 USF Strategic Plan was informed by significant changes in both the internal and external environment and lessons learned in the implementation of the previous 5-year strategy plan for the period 2017-2021. In the past five years the government of Kenya has established deliberate policies and actions towards the transformation of the social-economic wellbeing of all Kenyans leveraging on Information and Communications Technology (ICT) as the enabler of most of the transformative initiatives in this regard. The regulatory space has also taken deliberate steps in line with overall government transformation agenda. On the other hand, the ICT sector has played a significant role in minimizing the impact of the Covid19 Pandemic by enabling, in some form, the continuation of various socio-economic activities across all sectors in the context of the new normal. ICT has emerged as the main mechanism for reaching people and providing essential services. On the Social front, there has been significant increase in the usage of social media and the Internet in general across all ages and social status.

The latest ICT Access Gap study, 2021, the Broadcasting Baseline Survey and the Postal/Courier Baseline Survey, which together present a picture on the status of voice and data access gaps in Kenya, provide a basis for developing a strategic direction with respect to achieving the overall goals and objectives of universal access to ICTs as set out in the national ICT policy guidelines, as well as the USF objectives as set out under the Kenya Information & Communications Act (KICA) 1998. On the other hand, development partners, such as the UKaid and USAID, have lent considerable support to the government of Kenya towards closing the Digital divide.

It is against this background that this Strategic Plan has been developed to guide the activities of the of the USF for the next five years. The 2022-2026 Strategic Plan is a culmination of rigorous exercises that entailed desktop review, sourcing contributions from key stakeholders, sourcing contributions from end-users, and also review of related reports from DAP partners. The Strategic Plan therefore reflects insights arising from the analysis of data and information collected during the development process.

From the above analysis, three strategic directions have emerged that would guide the fulfillment of USF's objectives in the next five years. These include the **rollout of infrastructure and services to close the remaining gaps while guaranteeing quality and sustainability; Digital Skills and Content to enhance ICT impact; and Institutional Capacity to enhance administration and management of USF to effectively and efficiently execute the projects envisaged in the Strategic Plan**. Given the scope of activities in the previous strategic plan, the current Strategic Plan gives Postal & Courier Services and Broadcasting Services more visibility while embracing e-inclusivity in the planned projects. The strategies and key performance indicators in each key result area have been established. The cost of implementation of the identified projects in the new Strategic plan is estimated at **Kshs. 21.306 billion**, with years 1, 2, 3, 4 and 5 costed at **6.345 billion**, **3.316 billion**, **3.784 billion**, **4.331 billion** and **3.530 billion** respectively.

The success in the implementation of this strategic plan shall require close collaboration and engagement with all the key stakeholders, particularly on aspects of sustainability and impact, bearing in mind new and innovative ways of implementation and more importantly the need to strengthen the institutional capacity.

# ABBREVIATIONS

| | |
|---|---|
| 5G | Fifth Generation Technology |
| AAP | Annual Action Plans |
| AI | Artificial Intelligence |
| CA | Communications Authority |
| CAPEX | Capital Expenditure |
| CBC | Competency-Based Curriculum |
| DAP | Digital Access Program |
| DEB | Digital Economy Blueprint |
| DTT | Digital Terrestrial Television |
| DTT | Digital Terrestrial Television |
| FM | Frequency Modulation |
| FTA | Free Trade Agreement |
| GBV | Gender-Based Violence |
| ICT | Information Communications Technology |
| ICTA | Information Communication Technology Authority |
| IoT | Internet of Things |
| ITU | International Telecommunications Union |
| KALRO | Kenya Agricultural & Livestock Research Organization |
| KenHA | Kenya Highway Authority |
| KENET | Kenya Education Network Trust |
| KERRA | Kenya Rural Roads Authority |
| KETRACO | Kenya Electricity Transmission Company Ltd |
| KIRC | Kenya Information and Communication Regulations |
| KPI | Key Performance Indicator |
| KPLC | Kenya Power and Lighting Company |
| KRA | Key Result Area |
| KURA | Kenya Urban Roads Authority |
| M&E | Monitoring and Evaluation |
| MDAs | Ministries, Departments& Agencies |
| MEL | Monitoring, Evaluation and Learning |
| MOU | Memorandum of Understanding |
| NGOs | Non-Governmental Organizations |
| NOFBI | National Optic Fibre Network Backhaul Initiative |
| NTG | National Transmission Grid |
| OPEX | Operating Expense |
| OTT | Over The Top |
| PESTEL | Political, Economic, Social, Technological, Environmental and Legal |
| PPP | Public-Private Partnership |
| PWDs | Persons with Disabilities |
| QoS | Quality of Service |
| REA | Rural Electrification Authority |
| REREC | Rural Electrification Renewable Energy Corporation |
| SDGs | Sustainable Development Goals |
| SSA | Sub-Sahara Africa |
| SWOT | Strength, Weaknesses, Opportunity and Threat |
| TVET | Technical Vocational Education and Training |

| | |
|---|---|
| UKaid | United Kingdom Aid Direct |
| UN | United Nations |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNICEF | United Nations International Children Emergency Fund |
| USAC | Universal Service Advisory Council |
| USAID | United States Agency for International development |
| USF | Universal Service Fund |
| USSD | Unstructured Supplementary Service Data |

# CHAPTER 1: OVERVIEW OF UNIVERSAL SERVICE FUND (USF)

## 1.0. Introduction

This chapter discusses the mandate of the Communication Authority of Kenya within the Kenya Information Communications Amendment Act, 1998. It also provides the mandate of Universal Service Fund (USF), legislations and operational framework, the role of Universal Service Advisory Council (USAC) and rationale for the development of the USF Strategic Plan 2022-2026.

## 1.1. Background and Objectives of Universal Service Fund (USF)

USF was established by the Kenya Information Communications Amendment Act, 1998 and its implementation is generally guided by Kenya Information and Communications (Universal Access and Services) Regulations, 2010. The objectives of the Fund are among others: to promote communications infrastructure development and services rollout in unserved and underserved communities; to ensure availability of communication services to persons with disabilities, women and other vulnerable groups; to support the development of capacity building in ICTs and technological innovation; to support the expansion of communication services to schools, health facilities and other organizations serving public needs; and to facilitate the development of and access to a wide range of local and relevant digital content.

## 1.2. Revenues and Expenditure of USF

The revenue of the Fund, as per law, is primarily from levies from licensees; as well as monies as may be provided by Parliament for that purpose, income from any investment made by the Fund; and any gifts, donations, grants and endowments. In addition, the Fund's annual returns and audit have to comply with the Public Audit Act (No. 12 of 2003). The Fund's establishing legislation provides that the ICT Minister may, in consultation with CA, make regulations generally concerning the administration of the Fund and without prejudice to the generality of the foregoing, about the amount of levy; operations of the Fund, mechanisms for accessing the Fund; and mechanisms for collection of the levy. The fund sources have to be approved by the Authority's Board.

## 1.3. Governance and Management of USF

The Communications Authority of Kenya (CA) governs the Fund with oversight of the Universal Service Advisory Council, appointed in accordance with the Act. The Minister appoints persons who have knowledge or experience in; a) broadcasting, telecommunication, postal systems, information technology or finance or any other relevant field; (b) are unlikely to have a conflict of interest and will not have any financial or other interest which will be prejudicial to their function as USAC members. In addition, the Universal Service Advisory Council advises the Authority and provides strategic policy guidance for the administration and implementation of the Universal Service Fund; and performs any other functions as the Board may assign from time to time.

## 1.4. Organization Structure and Roles of Management of the USF

The CA Board is responsible for the Fund's management and administration and the implementation of its programs. The Board approves the annual operating plans of the Fund, including project proposals and their performance targets. The Board has sets up a dedicated department within management to manage the day-to-day administrative and management of projects relating to the fund. Communication between USAC and the Board or management is through the Director-General.
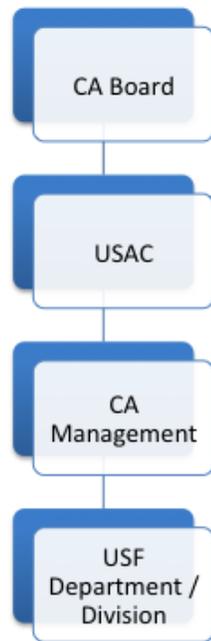
Figure 1: USF Governance Structure

## 1.5. The Rationale for the Strategic Plan 2022-2026

The USF had in place a five year Implementation Strategic Plan which guided implementation of its activities for the period 2017-2021. Following the lapsing of that strategic plan period and in an effort to ensure continuity while drawing lessons in implementation of projects, the USF Department, through Technical assisitance from FCDO, embarked on the development of the Strategic Plan for the period 2022-2026.The Strategic Plan 2022-2026 outlines the road map for the roll-out of ICT universal access initiativs in the next five years

The updated Access Gap study 2021, has necessitated the development of a new strategy to guide USF on implementing new projects for the next five years. Besides, the Broadcasting Baseline Report-2021 and the Postal and Courier Services Baseline Study -2021 have provided inputs on the current status of these sectors. As a result, the two reports have directed relevant interventions required in the unserved and underserved areas and communities. In addition, the Covid Pandemic has disrupted life and brought new dimensions, with ICT taking restage in the new normal. Thus the USF strategic plan 2022-2026 is timely in recasting the position of ICT and its role in promoting digital inclusivity, targeting the unserved, underserved and the marginalized communities not to be left behind in the digital space.

Coupled with all the above is a significant change in the external and internal environment. The changes cut across the Political, Economic, Social, Technological, Environmental, and Legal dimensions. The last five years have also seen development partners like ITU, UKaid, USAID get involved in supporting the achievement of the country's digital transformation agenda, especially in promoting inclusivity for the underserved and the unserved. Therefore, deliberate efforts have been directed towards the strategic planning process to streamline activities and incorporate ideas from sector partners, Digital Access Program (DAP) Partners, and complementary services partners.

## 1.6. Strategic Planning Approach

A participatory methodology that engaged all the relevant stakeholders was used to develop this Strategic Plan. The outcome of this process is a Strategic Plan that seeks to further elaborate the objectives and scope of activities that would be supported through the USF for the next five years. A series of planned meetings with consumers of ICT services, sector players, DAP Partners, UN agencies, NGOs, Government Agencies and Corporations, and CA staff were conducted using physical and virtual meetings. A self-administered questionnaire was also used to access other stakeholders.

Secondary data was picked from constitutional, regulatory, policies, operational documents, DAP Partners reports, and Access Gap Reports. Some of the policy documents included; National Infrastructure ICT Masterplan (2019-2029), the National Broadband Strategy (2018-2023), the Digital Economy Blueprint (DEB), the Kenya Vision 2030, Constitution of Kenya, 2010, County Governments Act no. 17 of 2012, Intergovernmental Relations Act, 2012, Public Finance Management Act, 2012, Public and Procurement Assets and Disposal Act, 2015. and the United Nations Sustainable Development goals (SDGs).

The implementation of USF programs provides a massive opportunity for CA to drive the Government of Kenya's vision for attainment of digital transformation  down into the most remote, rural areas, excluded populations and other public institutions.. In addition, it provides an opportunity to align and conform with the aspirations of global digital transformation agenda being pursued by international partners such as the ITU, UKAid through DAP, and to catch up with other economies that have taken the lead in digital transformation for all.

# CHAPTER 2: SITUATIONAL AND STAKEHOLDERS' ANALYSIS

## 2.0. Introduction

This chapter provides a PESTEL framework analysis of the external environment, including the policy, regulatory and market environment, as well as stakeholders' views. The situational analysis includes a SWOT analysis of the internal environment.. The chapter also consists of an evaluation of past performance. The assessment of the past performance captures achievements, challenges, and lessons learnt to ensure inclusion in the implementation of the strategy.

## 2.1. External Environment Analysis

### 2.1.1. PESTEL ANALYSIS

The external environment under which the CA, as the USF administrator, is operating was assessed using the PESTEL framework. The matrix in Annex 8 highlights foreseeable external issues which this Strategic Plan addresses.

### 2.1.2. ICT Infrastructure and Service

#### Telecommunication (Voice & Data) Infrastructure and Services

According to the 2021 Access gap study report,[1] about 3.7% of Kenya's population remains uncovered by mobile voice and broadband services. These constitute approximately 1,700,000 people based on the 2019 census. Out of this population, Phase 2 and Phase 3 projects based on the Access Gap study reports of 2016 and 2021 will cover about 800,000 people. However, that will leave approximately another 900,000 people uncovered, requiring other interventions to enable them to access voice and data services. Out of the 900,000 people, about 200,000 stay in 'true-gap' areas, where the current smart subsidy provided for CAPEX recovery is not sustainable in the long run, thus requiring an ongoing OPEX subsidy after the assumed five year recovery period, or other innovative ways to ensure coverage and service.

Besides, the Use and Impact Study in 2022 established poor network quality issues in the already covered Phase 1 sub-locations. Poor network quality requires interventions through USF to achieve availability and accessibility as envisioned under the objectives of the Fund. Challenges such as lack of agents or outlets to provide accessories and costs of communication gadgets in covered areas of Phase 1 affects usage and impact. The presence of single operators in these areas gives users limited options, thus affecting affordability.

The Access Gap 2021 report also showed that Kenya now enjoys about 30,000km of Fibre network from the Government's NOFBI and other private fixed network operators. The Fibre Network spread puts about 37,940 primary and secondary schools within 2km of fibre node, while 15,722 are within 10km of a fibre node. This proximity of the fibre network presents an opportunity for covering these schools and other public institutions with fixed broadband. The provision of broadband connectivity in all public schools will reinforce the Government's plan of ensuring digital transformation in schools. Furthermore, it will help enhance learners' knowledge and skills through the Science and Technology subject that forms part of the Competency-Based Curriculum. In addition, providing broadband connectivity to all public institutions like health centers, police stations, and administrative centers will align with the Use and Impact study's recommendations. Creation of such "anchor customers" will

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[1] Viscar Industrial Capacity (2021). Capacity Building, Review and Update of the Voice and Data Services Access Gaps in Kenya. Report to the Communications Authority of Kenya. Unpublished

also create the demand incentivizing the operators to expand their networks to local businesses and households.

The 2021 Access Gap report advocates adopting more innovative and newer technologies such as Community Networks to serve small communities. The community networks will offer opportunities for capacity building, besides providing centers to serve special interest groups like PWDs, Women, and the Youth. CA, through the support of the USF, needs to further embrace technologies on a micro-scale and small scale solutions in closing the access gaps.

## Broadcasting Infrastructure & Services

Broadcasting Infrastructure constitutes hardware and software required to support the conveyance of unidirectional sounds or television for reception by the public. A broadcasting service is any service that consists of the broadcasting of television or sound broadcasting programs to the public, sections, sections of the public or subscribers to such a service[2]. Whereas Broadcasting services are necessary for the social-economic development of the society, there still exist geographical areas and populations lacking these services. Their experience includes; affordability, poor quality, and limited access to devices.

According to the Broadcasting Baseline report 2021, 1,137 sub-locations have no Digital Terrestrial Television ( DTT) coverage, while 1,240 sub-locations have no FM signal in Kenya.[3] The gaps exist in Mandera, large parts of Turkana, Wajir, and Marsabit Counties. Further, there is limited coverage in Lodwar and Lokichokio in Turkana county, Marsabit town in Marsabit County, Mararal Town in Samburu County, Wajir Town in Wajir, and Hola town in Tana River County. In addition, Busia, Siaya, Laikipia, Machakos, Embu, Kwale, Nandi, Trans Nzoia, Busia, Vihiga, Bomet, Makueni, Taita Taveta, Kitui, and Tana River experience poor TV signals. In addition, some of the mentioned areas, especially rural regions, lack broadcasting studios. The 2021 Broadcasting Baseline report recognises the economic unviability of the unserved communities as they lack infrastructure, including power supply, roads and sufficient security, all necessary for the supply side of the broadcasting sector.[4]All these challenges affect the supply side of the broadcasting sector.

The communities to be served have limited access to the broadcasting service devices. The devices serve both the general public and persons with disabilities. The report recommended deploying transmitters for both radio and TV in the unserved and underserved areas, including North Western and Eastern parts of Kenya, and deploying low power transmitters in areas with poor or no signal.[5] In addition, the report recommends tax rebates on broadcasting equipment, tax reduction on digital devices, and promoting local production of affordable broadcast access devices for the general public and PWDs. It further proposes promoting affordable TV and radio access devices for all the population categories. Finally, it recommends administering and deploying USF funds in supporting the extension of broadcasting services to unserved and underserved communities.

## Postal & Courier Infrastructure and Services

Postal services constitute services that are essential for public use, including postage stamps, private letterboxes, acceptance, conveyance and delivery of letters, while Courier services are any specialized service for the collection, dispatch, transportation, handling and delivery of postal articles. Access to postal and courier services is crucial for socio-economic development in Kenya's urban and rural areas. Data gathered from key stakeholders from the Postal & Courier sector reveal unique challenges and

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[2] Kenya Information and Communications Act, 1998
[3] Broadcasting Sector Baseline Survey (2021). A report to the Communication Authority of Kenya. Unpublished.
[4] Broadcasting Sector Baseline Survey (2021). A report to the Communication Authority of Kenya. Unpublished.
[5] Broadcasting Sector Baseline Survey (2021) A report to the Communication Authority of Kenya Unpublished.

issues for consideration in this strategic plan. Key stakeholders feel that Postal and Courier has not been given visibility in terms of support from USF despite its role in spearheading business through the physical connections. Indeed, there was no single funding of a project in the Postal & Courier in the last implementation strategy. The Postal & Courier sector also faces unique competition imposed by technology from voice and data. Alternative options for communication have disrupted its value chain. Mobile voice services and over the top services (OTT) like "WhatsApp" and other Applications like "CamScanner" have reduced revenues from the Postal and courier sector, thus requiring innovation to survive.

The need for support in the Posta and Courier Sector includes setting up physical spaces through CAPEX funding and subsidizing OPEX. The transport cost is high in some remote areas due to poor infrastructure. In addition, technical assistance to change their business model through technology adoption is required. Other options are utilizing their existing presence to offer government services, such as the current Huduma Centers. However, according to the 2021 Postal & Courier services baseline report, Kenya still has 1,421 sub-locations with neither postal nor courier coverage.[6] Besides, on average, the sub-locations are 37.71km from the nearest postal/courier outlet, yet the international benchmark should be 9km. The report further notes that users have access barriers due to the affordability of devices, especially for persons living with disabilities. In addition, the quality of services remains low, recording a score of 50 % and 67% for Postal and Courier services, respectively. Therefore, the Postal & Courier Services baseline report proposes a draft of interventions to address coverage and access of these services for both the supply side and demand side.

Regarding the supply side, the report proposes the provision of postal and courier outlets in the under/unserved communities, including through partnerships with agents. In addition, the report advocates for supporting acquisition techniques such as assistive technologies for access by PWDs. Regarding the quality of services, recommendations include enhancing the enforcement of quality of service regulations in the postal and courier services subsector and adopting other technology-based innovations, such as web-based resellers.

Regarding Access, the report recommends promoting the availability and accessibility of postal and courier services by the whole population by providing postal/ courier outlets within at most 15 km of reach of the people in rural areas. To cater for inclusivity, the report advocates for providing ramps, hearing aids, sign language interpretation, and mobility devices for PWDs.  USF occupies a key position in trying to help overcome the challenges mentioned in both the supply and demand side.

### 2.1.3.  Infrastructure for e-Government Services

e-Government uses ICT applications and services to provide more effective and efficient government services to citizens and businesses. It is the application of ICT in government operations, achieving public ends by digital means[7]. The National ICT Policy States as follows: *'Government ICT is vital for the delivery of efficient, cost-effective public services, which are responsive to the needs of citizens and businesses. We want government ICT to be open to the people and organizations that use our services, and any provider – regardless of size'.*

The policy states that Government will ensure that; a)  Kenyans increasingly appreciate, prefer and use online public services; b) It is affordable and safe to use an online public service; c) Online public

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[6] Postal and Courier Baseline Survey, 2021 A report to the Communication Authority of Kenya. Unpublished.
[7] https://publicadministration.un.org/egovkb/en-us/about/unegovdd-framework#:~:text=E%2Dgovernment%20has%20been%20employed,and%20other%20arms%20of%20government'.&text=It%20is%20the%20application%20of,public%20ends%20by%20digital%20means.

services work efficiently and effectively all the time; d) All citizen-facing government functions are automated and available online; e) Encourage ICT infrastructure deployment across the country by leveraging on wireless broadband technologies to facilitate e-services to allow for categorization of systems and data by sensitivity and business impact; and f) There is free public Wi-Fi Internet access built around digital primary and secondary schools, Community Innovation Hubs and public spaces.

In general, e-Government can promote the applications of ICTs in social, cultural, and economic oriented programs to improve local communities' standard of life, particularly in rural and disadvantaged areas. Typical applications include but are not limited to:

a) e-Health: ICT applications can improve health care delivery, i.e. by facilitating remote consultation, diagnosis and treatment, assistance and training by expert physicians from major cities to rural health workers. In disease prevention or epidemic situations, health institutions use ICT tools to disseminate health & messages.

b) e-Education and e-Learning: ICT tools improve the accessibility and quality of education, general/ICT literacy and life-long learning by providing access to up-to-date training methods and programs. ICTs effectively reduce the geographical gap between urban and rural populations in the education sector.

c) e-Administration: ICT fosters empowerment and participation and makes governments administration processes more efficient and transparent by encouraging communication and information-sharing among government staff and ministries/departments.

d) e-Commerce: can facilitate trade in goods and services, including banking, procurement and marketing. ICT services will assist in improving efficiency and accessibility to markets by all people in their day-to-day economic and social activities like trade, agriculture, animal husbandry, crafts, natural resources, self-employment, financial transactions, etc.

## 2.1.4. Digital Skills and Content
### Localizing of Digital Content
UNESCO (2001) defined local content as an expression and communication of a community's locally generated, owned and adapted knowledge and experience relevant to the community's situation. The National ICT Policy States as follows: *'This policy intends to promote high-quality, easily accessible, relevant local digital content. In these highly networked times, the stature and relevance of a country are conditioned upon the size and relevance of its internet footprint. Our purpose is to increase the total amount of locally produced Kenyan content hosted in Kenya available on the Internet and make Kenya the destination for African content. It is critical that globally, we tell our story ourselves.* Additionally, the policy mandates, amongst others, to do the following under the given areas:

**The local Content Development** concept supports locally based ICT applications and multimedia content development. **The Government encourages the use of Kenyan Languages** and Kiswahili as the national language and local languages in developing content. It, therefore, fosters leverage on Kenyans' good knowledge of English to create content for the international community.

**Cultural Preservation e**ncourages the development of content that captures and preserves the knowledge and culture of Kenya's diverse communities. Most of the underserved and unserved communities have tribes with a strong inclination towards their culture. Therefore, it fits to make contents and applications that embrace their culture and way of life.

**Digitization:** All government Ministries, Departments and Agencies are required to move to all-digital systems of communication, document generation, document storage and archiving. This policy mandates that all MDAs digitize their historical records and make them available to the National

Archives in an acceptable electronic format. This requirement and other government policies push digitization to be adopted to do business faster and quickly. The Chiefs and local authorities must make payments such as Pesa *Kwa Wazee* through mobile money transfers to the respective recipients through their phones. The Youth make most of the government applications via Government Portals such as e-Citizen, *Huduma* centers and many more. Therefore, it calls for users at the community levels to be familiar with such applications and use them as they engage with government services.

## Capacity Building of the Communities

The UN defines capacity-building as the process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive, adapt, and thrive in a fast-changing world[8]. The National ICT Policy (2019) states that: *'It is the Government's position that all Kenyans should become proficient users of appropriate digital technology so that they can benefit from the sea-change currently underway. This policy seeks to build on the already universal use of mobile digital money and inculcate widespread adoption of cognate digital services, goods and activities'*

ICT tools can improve the accessibility and quality of education, general ICT literacy and life-long learning by providing access to up-to-date training methods and programs. ICTs can also effectively reduce the geographical gap between urban and rural populations in the education sector. The Kenya Digital Economy Blueprint (2019) states that: *'Digital skills are a prerequisite for benefiting from any technology, across all sectors of the economy, and at all levels of the skills spectrum. Digital skills will enable every Kenyan to have Access to digital technology, having the literacy and know-how to use this technology, and being able to participate in and create with this technology.*

The Digital Economic Blueprint further identifies three skill levels as described below: Basic, Intermediary and Advanced:

**Basic Skills:** These are foundational skills for performing basic tasks. Basic skills cover hardware (for example, using a keyboard and operating touch-screen technology), software (for example, word processing, managing files on laptops, managing privacy settings on mobile phones), and basic online operations (for example, email, search, or completing an online form). Basic skills enrich citizen lives, enabling them to interact with others and access government, commercial and financial services.

**Intermediate skills:** Intermediate skills enable citizens to use digital technologies in even more meaningful and beneficial ways, including the ability to critically evaluate technology or create content that could have economic value. These are effectively job-ready skills since they encompass those skills needed to perform work-related functions such as desktop publishing, digital graphic design and digital marketing.

**Advanced skills:** Advanced skills are needed by specialists in ICT professions such as computer programming and network management. These include artificial intelligence (AI), big data, coding, cyber security, the Internet of Things (IoT), and mobile app development.

For the case of USF, the remote and marginalized area would start building capacity at the basic level and possibly upgrade to higher skills over time in conjunction with the neighbouring tertiary level training institutions.

## ICT Innovation Training Hubs

The Kenya National Innovation Agency defines an Innovation hub/lab as a space to promote collaborative activities amongst multi-disciplinary teams, who share common goals for achieving

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[8] https://www.un.org/en/academic-impact/capacity-building#:~:text=Capacity%2Dbuilding%20is%20defined%20as,in%20a%20fast%2Dchanging%20world.

innovation to drive collective social impact[9]. The National ICT Policy (2019) states that: *'The Government, in partnership with other arms will assist in the creation of innovation hubs across the country. Initially, there will be 290 constituency innovation hubs that provide work and maker spaces for the local community. Each innovation hub may be associated with a nearby university or technical vocational education and training institution (TVET) and provide an opportunity for the community to access knowledge, create local solutions to problems, explore with expert guidance improvements to traditional solutions and enter the enterprise pipeline to mass production.'*

CA through the support of the USF may wish to be part of the government plan of creating creative hubs in the underserved and unserved communities. For example, the Innovation Training Hubs are utilised to develop local content and help solve social-economic challenges of the communities.

### 2.1.5. Social Economic Status

### Education Sector

The education sector for the Northern Kenya regions has been targeted for improvement in recent years. CA through support of the Fund has undertaken a pilot project involving connectivity of selected secondary schools in its broadband education program since 2016. UNICEF is targeting to connect 1,160 primary schools under a pilot focus project under its Giga initiative program[10]. The program envisages having internet connectivity for all schools in the developing world. However, Access to education in the north is still undermined by inappropriate teaching materials, poor infrastructure, inadequate allocation of high-quality teachers and difficulties in retaining them. Cultural factors, such as early marriage, a preference for educating boys, and the heavy reproductive demands placed on girls create significant gender differentials in educational outcomes. In Mandera, for example, approximately one-third of men are literate compared with only six per cent of women.

Such disparities call for the Ministry of Education and CA as implementors and facilitators respectively to pursue partnership collaborations and build synergy to ensure the education sector delivers service to the subject communities. Access to schools via the KENET points of presence program is one model seen as a potential takeoff if it fits the USF approach to community engagement.

### Energy and Roads Infrastructure Sectors

Poor energy and road infrastructure remains a key challenge to drive ICT infrastructure and service development especially in Northern Kenya. Telecommunications services are still restricted to major towns and along highways. Very few locations in Northern Kenya receive adequate radio and television coverage even after the recent liberalization of the airwaves. In addition, the region has limited access to electricity, which restricts the scope of investment. The lack of adequate infrastructure is a major reason the region has attracted less investment than other parts of the country, despite its abundant and diverse natural resource base.

Road infrastructure projects are among the region's highly marred with delayed completion, cost overruns and abortive works (Wairimu, 2016; Akali, 2018). Among the North Eastern region counties, using Wajir County as an example, it has experienced challenges in its general road infrastructure, attributable to the high levels of marginalisation both geographically and historically in this region, which has persisted over the years (World Bank, 2016). As of February 2018, the county had a single airport, seven airstrips and a tarmac road of about 28 kilometers. The quantity of this infrastructure is incomparable with the size of Wajir County (55,840km2). The sum of roads that were both

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[9] https://www.innovationagency.go.ke/uploads/php4d3zjG.pdf

[10] https://gigaconnect.org/

unclassified and classified within the county as of 2018 was approximately 8,000 Kilometers up from the 5,280 Km road network during the First County Integrated Development Plan 2013-2017 released in 2013. In addition, there is a general lack of salient infrastructures such as main parks for Lories and buses, a network of railway and suitable bridges.

Under this background, is the reflection of largely most of the underserved and unserved communities and counties. There is need to have collaborative solutions to unlock the areas, develop the commercial component, and increase the purchasing power of the locals to be deeper users of ICT products and services.

## Health Sector

The average distance to a health facility in Northern Kenya is 52 kilometers, ten times further than the national target of 5 kilometers. However, there are variations in Access to health facilities in different parts of the country, with the worst areas being Northern Kenya, whose biggest population is nomadic-pastoralist. In this region, the shortage of health personnel is further compounded by mal-distribution, with a predominant urban bias where most health workers are concentrated. In addition, on average, 50% of public health facilities and laboratories equipment are outdated or unserviceable in terms of health service provision. This situation complicates the services delivered and their quality in Northern Kenya.

While the staff shortages have affected the health system countrywide, the status of human resource service coverage across Northern Kenya (Turkana, Samburu, Marsabit, Isiolo, Mandera, Wajir, Garissa, Tana River, West Pokot, and Lamu counties) has notably been worse than in any of the other seven provinces. In addition, the health worker to population ratio has been largely inadequate and inequitable compared to other regions. The healthcare worker to population ratio in all Northern Kenya counties has been worsened by the geographical spread of rural, low population density, and the nomadic lifestyle of many of its people. Poor telecommunication, infrastructure, and security (perennial intertribal/clan conflicts) contribute to poor health care access and quality.

## Agriculture, Livestock, Fisheries & Cooperatives Sector

The underserved and unserved populations occupy the Arid and Semi-Arid Lands, constituting about 84 per cent of the country's landmass and are home to about 36 per cent of the human population. In addition, they are home to 70% of the national livestock herd and 90% of the wild game supporting its tourism industry. However, due to inadequate infrastructure and basic services investments, the region faces a perennial scarcity of livestock feeds and high transaction costs.

Other challenges include long distances to processing plants, limited access to formal markets, poor access to information and fair contracts, limited access to financial services such as credit facilities, and insufficient and inadequate extension services. In addition, the recent Covid 19 pandemic adversely affected the pastoralists; thus, their livelihood sources, including tourism, cultural events, livestock trade and sale of artefacts, have significantly reduced as visitors cannot access their products due to lockdowns and curfews.

Cereals dominate agricultural production. Subsistence farmers grow sorghum, maize, cowpeas and green grams, and other crops include date palm, mangoes, local vegetables, kales, spinach, bananas and tomatoes. Crop production is restricted by the availability of water, soil nutrients, skilled labour, pests and diseases. Poor transport, communication, storage, and processing infrastructure often limits the agricultural sector. Food is imported from crops growing counties since most pastoralists do not practice crop farming. This agri-pastoralists life needs support from business and knowledge transfer

enablers like ICT. USF must address the digital divide and create demand from the locals to use ICT products and services.

### 2.1.6. e-Inclusivity

e-Inclusivity refers to all community members can participate in the benefits of the projects undertaken under the USF despite their handicap. In its second goal, titled "Inclusiveness: Bridge the digital divide and provide broadband access for all", ITU talks of e-Inclusivity to include everyone without exception benefits from telecommunications and ICT services and products. The goal is to bridge the digital divide for inclusive information society and enable broadband access, leaving no one offline. Bridging the digital divide focuses on global telecommunication and ICT inclusiveness, fostering accessibility and affordability for all peoples, including women and girls, youth and marginal and vulnerable populations, people from lower socio-economic groups, indigenous peoples, older persons and persons with disabilities.

One of the objectives of the Fund is to ensure persons with disability have Access to ICT systems and services[11]. Being a statutory body, the Fund is bound by the Constitution of Kenya to ensure equity and equality in Access[12]. In addition, affirmative action steps must be made to avoid discrimination.

### 2.1.7. Sustainability of USF Projects

The Sustainability of USF projects was a key concern raised by Key stakeholders during the Use and Impact and deepening of usage study[13]. Indeed, Sustainability is one principle that guides a successful USF project as guided by ITU. With Sustainability having no universally agreed definition, this strategic plan borrows what the study proposed. Sustainability was defined as upholding provision, usage and affordability without external support. Sustainability is paramount in running USF projects due to their nature of having a subsidy. The report recommends the treatment of Sustainability as a multidimensional concept, requiring multiple stakeholders on board to sufficiently address it. The multifaceted approach is illustrated using the 'Sustainability Wheel" in Figure 2
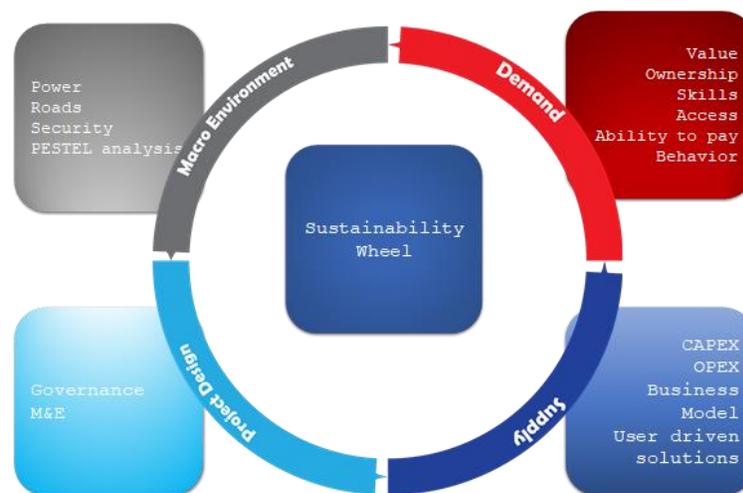


**Figure 2: Sustainability Wheel**

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[11] Regulation No. 3, Kenya Information and Communications Act
[12] Article 10, Constitution of Kenya, 2010
[13] Viscar Industrial Capacity Ltd. Use and Impact of Universal Service (Voice and Data) deepening usage for enhanced inclusivity in Kenya, 2022 Unpublished Report

## 2.1.8. Partnership and Collaboration

The USF strategy will require various partners to implement it successfully. Therefore, there is a need for greater collaboration and fostering partnership with the concerned parties. Some key partners and their importance is summarized as below.

**Ministry of Infrastructure:** The relevant authorities (KERRA, KURA, KeNHA) are to collaborate with USF projects to open up the regions for connectivity, which by extension spar developments. **Ministry of Energy: Kenya Power and Lighting Company KPLC** is both a provider and an enabler of broadband. Firstly, it is a provider because it has rolled out an optical fibre infrastructure over the power lines, which broadband service providers can use. Secondly, KPLC distributes power to consumers. In addition, service providers depend on KPLC to power network equipment. More specifically, the USF department will identify the areas that require broadband extension yet with no power supply and share with the concerned entities for coordinated action towards implementing USF projects. **Kenya Electricity Transmission Company Ltd Kenya Electricity Transmission Company Ltd (KETRACO)** is a wholly-owned government company incorporated with the mandate to plan, design, construct, own, operate and maintain high voltage electricity transmission grid and regional power interconnectors that will form the backbone of the National Transmission Grid. In executing this mandate, KETRACO will be encouraged to include fibre cable and its power lines to cover areas not reached by NOFBI. This infrastructure, where feasible, will also be utilized as a carrier of NOFBI to underserved communities. **Rural Electrification Renewable Energy Corporation (REREC) -** Following the enactment of the Energy Act 2019, the Rural Electrification Authority (REA) changed to Rural Electrification and Renewable Energy Corporation (REREC). REREC has an expanded mandate of spearheading Kenya's green energy drive and implementing rural electrification projects. One of the critical challenges in the network expansion in underserved communities is the lack of power/ electricity. Therefore, CA should partner with REREC by sharing their network rollout plans with REREC to ensure electricity /alternative power provision in the specific areas earmarked for rollout.

**Ministry of ICT: Postal and Courier Subsector Postal services** can play a pivotal role in delivering services, lowering the costs associated with access and providing inclusion to essential broadband services. By utilizing ICTs to improve the delivery of public services through one-stop-shop over the expansive postal physical infrastructure, for example, the bottlenecks associated with the digital divide can be addressed in part. Therefore, through broadband, excellent and well-managed e-Post services can leverage the efficiency and scope of online opportunities and facilitate other ancillary services such as e-Finance services, e-Commerce services, and e-Government and e-Learning services. In addition, post offices have a strong presence in rural areas. This distribution means that post offices are located precisely where the population lives, not only in urban areas but also in peri-urban and rural areas, and have a lot to offer to rural people regarding socio-economic inclusion.

**The Information, Communication Technology Authority (ICTA) -** The Authority's objective is to foster the development of ICTs in Kenya (including systems and technology for the Government and to oversee the development of integrated ICT projects, coordination and Management of National ICT core infrastructure applications, projects and complex ICT projects, formulation and enforcement of ICT standards, facilitation of ICT Innovations and Management of national ICT Security systems among others. CA should partner with ICTA regarding the coordination and Management of National ICT core infrastructure applications, innovation and security systems.

**Ministry of Education, Science and Technology:** The Ministry of Education, Science and Technology is in charge of national policies and programs that enable Kenyans to access high-quality, low-cost schooling, post-secondary education, higher education, and academic research. The Kenyan Ministry of Education is mandated by the Kenyan Constitution, Chapter Four, Articles 43, 53, 54, 55, 56, 57, and 59, which include provisions on children's right to free and compulsory primary education, including quality services, as well as access to educational institutions and facilities for persons with disabilities who are integrated into society, to the extent compatible with the person's interests. CA has partnered with the Ministry of Education, Science and Technology through the broadband Education project. However, this collaboration needs to be strengthened through a structured MOU for effective and sustainable results.

**Ministry of Interior and Coordination**: There is a great challenge in the rollout of network services in Northern Kenya because of insecurity concerns. Terrorist activity has led to the destruction of over twenty-five (25) sites and the loss of human lives in Northern Kenya. Therefore, there is a need for collaboration between CA and the Ministry of Interior and Coordination to secure the protection of towers in the region and provide requisite approvals to house the towers within existing government installations to enhance the security of the sites.

**Ministry of Agriculture Livestock Fisheries and Cooperatives:** to provide adequate and effective service delivery using ICT as an enabler for the communities, CA needs to tap into the MDA within the Ministry of Agriculture Livestock Fishers and Cooperatives for collaboration and partnership. With most of the unserved and underserved communities dependent on Agriculture and livestock as their livelihood, it's a sector that can grow using innovation and technology to accelerate economic growth.

**Ministry of Health**: The government is determined to provide Universal Health Care to all Kenyans. ICT once again is an enabler of UHC. So CA will need to work closely with MOH to ensure that health institutions across the country, especially those falling in the unserved and underserved communities, have access to broadband connectivity.

### Development Partners

Development partners whose mission is aligned to the USFs objectives are significant in helping USF achieve its mission. They provide technical, financial support and help to tap into relevant international experience. Such partners include but are not limited to UKAid, USAID, and ITU. CA should deliberately enforce a collaborative framework to govern the engagement.

### Others

In addition, other critical agencies such as KCAA and NEMA whose role is critical in granting approvals for implementation of ICT projects. USF may also be required to work with institutions of higher learning such as Universities and technical colleges when it comes to supporting innovation and research that relates to issues such as content development and related issues.

## 2.2.  Internal Environment Analysis

### 2.2.1.  SWOT Analysis

The SWOT analysis represents the strengths, weaknesses, opportunities and threats facing USF during this strategic period and beyond. The Fund shall reduce the digital divide by enhancing the

strengths, improving on weaknesses, harnessing opportunities, and mitigating the threats facing CA in realizing all the objectives enshrined in USF. The SWOT analysis is captured in Annex 8.

### 2.2.2. Institutional Strengthening of CA/USF Department

Institutional Strengthening (IS) of the CA/USF Department aims to develop appropriate and well-sized institution solutions for better service delivery. The strengthening may include; providing training on technical skills or recruiting/hiring additional staff suitable for managing projects and monitoring. In addition, there is a need to enhance logistical and administrative support to handle the vast area of coverage under the USF mandate. Finally, the collaboration and partnership component requires deliberate efforts to strengthen and get the right skills sets to drive that section.

IS includes acquiring updated technologies and tools to support quality of service monitoring, monitoring and evaluating social-economic related projects, access gap studies, and feasibility studies. It is apparent that accurate information and data is required before preparing tender bids. This will help have better designs, technology to be deployed, and appropriately sized subsidies. In addition, there are legal, grants or procurement frameworks that USF projects need to align to so that they don't conflict with the Government's Public Finance Management procedures and policies.

### 2.2.3. Universal Service Value Chain

To interpret how the internal environment impacts project implementation, the USFs value chain is critical. It allows analyses of each component in the project management to be considered. Each value chain element faces challenges that need addressing with appropriate interventions to increase usage and impact. The USF value chain shown in figure 3 has been adopted from the use and impact study. The key components of the value chain are fund mobilization, Project identification, Project Management, Project Execution, and Usage. Monitoring and evaluation, and Legal and regulation cut across all the elements. Each value chain element faces unique challenges that impact USF's end objectives.
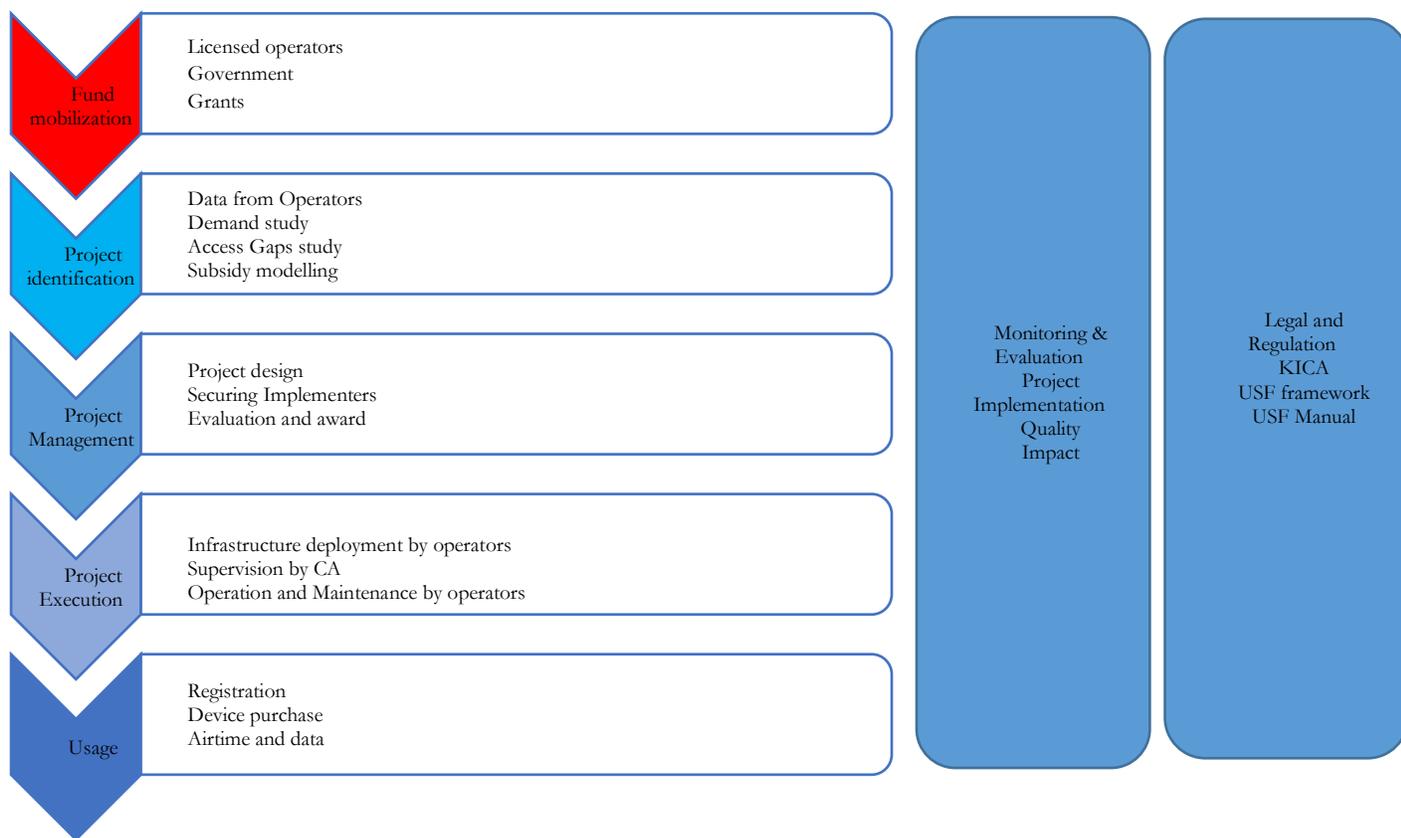
**Figure 3: USF Value Chain**

## 2.3. Stakeholder Analysis

The key stakeholders are individuals, groups and organizations that must be considered given their participation and support towards realizing successful projects. The key stakeholders, areas of engagement and their impact are outlined in Table 1 below.

| Stakeholder | Areas of engagement/ expectation | Impact on the Fund |
|---|---|---|
| **Users** | • Consumption of services <br> • Public participation | High |
| **Licensees** | • Contributors to the Fund <br> • Implementers of the fund projects | High |
| **Development Partners (e.g. FCDO, USAID etc.)** | • Technical assistance to the fund <br> • Providing Grants <br> • Monitoring and Evaluation of the projects | Medium |

| Stakeholder | Areas of engagement/ expectation | Impact on the Fund |
|---|---|---|
| DAP Partners | <ul><li>Provide technical assistance Monitoring and Evaluation of the projects</li><li>Exchange of technical studies and issues within the digital ecosystem</li></ul> | Medium |
| National Government | <ul><li>Establishment of the law to govern the fund and enforcement</li><li>Appointment of USAC</li><li>Provision of Complementary services like Roads, Energy, Security</li></ul> | High |
| County Governments | <ul><li>Provision of Security</li><li>The organization of public participation</li></ul> | High |
| CA/USF | <ul><li>Manage the fund (collection, project design, procurement, disbursement, tendering, award and MEL)</li><li>Supervision of USF projects</li><li>Stakeholder engagement</li></ul> | Very High |
| Civil Society Organizations/ | <ul><li>Public participation</li><li>Capacity building and training</li><li>Awareness creation</li></ul> | Medium |
| Potential investors | <ul><li>Project implementation</li><li>Provision of grants</li></ul> | Medium |
| Sector Players including other Ministries | <ul><li>Content development relating to their respective domains</li><li>Technology provision</li><li>Training</li></ul> | High |
| Targeted marginalized communities | <ul><li>Capacity building/awareness creation/sensitization</li></ul> | Very High |
| MoICTY, National Treasury and Parliament | <ul><li>Provide Policy Guidelines</li><li>Approve projects</li></ul> | Very High |

**Table 1: Stakeholder Analysis**

## 2.4. Review of The 5-year Implementation Strategy-2017-2021

### 2.4.1. Achievements of Period 2017-2021

As a prerequisite to developing the USF Strategic Plan 2022-2026, an evaluation was done to establish progress and lessons learnt from implementing the 2017-2021 5-year implementation Strategy. The assessment further informs baseline parameters to develop Strategic Plan 2022-2026. Among the achievements of the fund to date include:

a) Providing coverage in 76 sub-locations (xxx Sub Counties) from the phase 1 projects. This project cover xxx of the population in the region.
b) Projects will provide coverage to 101 sub-locations (xxx Sub Counties) in Phase 2 of the 2021-2023 implementations projection. This will cover xxx of the population in the region.
c) Over 886 schools have been connected with high-speed Internet. This has provided coverage to the total population of xxx of the children.
d) The 2 % coverage of the gap areas

## 2.4.2. Lessons Learned and Recommendations

i. Stakeholder Management and Public Participation

USF projects need to enhance stakeholder involvement and public participation to increase the acceptability and sustainability of USF projects. Project design, choice of sites, and management of sites, including the provision of security, should be done with the involvement of the local community to increase ownership.

### ii. Security Enhancement Requires a Multi-Agency Approach

Some insecure areas have discouraged service providers from investing even after a subsidy has been awarded. Some sites have been blown off after construction, destroying the projected investment return. It requires the participation and collaboration of multiple agencies to win the war of insecurity in some gap areas.

### iii. Alignment of USF Project Management with Public Financial Management and Public Investment Management guidelines

There is a need to review the project management to adhere to both Public financial Management and Public Investment Management Guidelines. In addition, misalignment between the nature of USF related projects and the existing Government Public Procurement and Asset Disposal Act, Public Financial Management, Public Investments, and Public-Private Partnership (PPP) requires revising in the new strategic plan to ensure policies and procedures are well aligned. The mismatch has slowed down the disbursement of the funds and implementation of the projects.

### iv. Project Design and Management of USF Projects

For USF projects to succeed, there is a need to review the design of the projects right from pre-feasibility studies, tendering, award, and supervision during implementation. The review should aim to reduce procurement bottlenecks, increase implementation efficiency, and update the sites by operators.

### v. Complementary Infrastructure and Sustainability of Projects

Lack of complementary infrastructures like roads, water, and energy affects sustainability and uptake of USF projects. Therefore, deliberate efforts should be made to collaborate with government agencies tasked with deploying these infrastructure services. Such can be done through the signing of MOUs for collaboration in delivering the services or engaging on a project by project basis.

### vi. Baseline and Targets

Apart from good management practice, CA has to establish and include baselines and targets as part of the planning and implementation of its projects. The baseline will ensure the administration and management of activities are annually monitored. Any lag can be quickly addressed before the strategic

plan period. Without these parameters, monitoring and implementation of the Strategic plan might be unclear and unstructured.

### vii.    Building Capacity to Implement Strategic Plan

Implementing a strategic plan requires assessing whether the institution has the capacity to implement the plan. For example, the Strategic Plan 2017-2021 could not be implemented fullydue to the lack of internal capacity to roll out all the planned projects and activities. Therefore, CA must develop or engage external help to ensure adequate capacity to implement and deliver this Strategic Plan.

### viii.    M&E framework

Data and information monitoring are crucial for the administration and management of activities. Therefore, CA needs to develop M&E policies to guide data collection and indicators identification. The Key Performance Indicators (KPIs) will guide establishing the performance of the projects. In addition, the M&E framework will help the management monitor areas of improvement and adjustment before the end of a strategic plan.  A comprehensive Monitoring Evaluation and Learning framework is proposed in **Annex 5** based on the Use and Impact study outcome.

# CHAPTER 3: THE 2022-2026 STRATEGIC DIRECTION

## 3.0. Introduction

The performance evaluation for the 2017-2021 5-year implementation Strategy identified the successes, challenges, lessons learnt, and priority areas that informed the 2022-2026 Strategic Plan development. In addition, the situational analysis findings of internal and external environments and stakeholder analysis informed the development of future thoughts.

A fundamental focus of this Strategic Plan 2022-26 is to build on past gains, learn from the present challenges, and create a prosperous future for the USF. The Strategic direction establishes a road map, strategic objectives and activities geared towards facilitating the development of the Fund to address the digital divide and be an enabler for the provision of service in the unserved and underserved communities.

## 3.1. Vision, Mission and Objectives

**VISION:** A digitally transformed and all inclusive society

**MISSION:** Enabling a universally connected society through development of ICT networks and services in the unserved and underserved communities

### OBJECTIVES:

- **To promote communications infrastructure development and services** rollout in unserved and under-served communities;

- **To ensure availability of communication services** to persons with disabilities, women and other vulnerable groups;

- **To support the development of capacity building** in ICT and technological innovation;

- **To support the expansion of communication services** to schools, health facilities and other organizations serving public needs; and

- To facilitate the development of and access to a wide range **of local and relevant digital content**

## 3.2. Key Results Areas

Following a detailed study of the USF mandate, desk review, and engagement with various stakeholders, three Key Result Areas (KRA) were identified to shape the Fund's strategic direction in the next five years. These are Infrastructure & Services, Digital Skills and Content, and Institutional Capacity. The KRAs are summarized in Table 2.

| Strategic Direction | Expected Results |
|---|---|
| 1. **Infrastructure and Service:**<br><br>To be redefined to cover accessibility, availability and affordability of all ICT related services, devices and products (Voice, Data), Broadcasting, Postal and Courier beyond the provision of signals and presence of infrastructure. The strategic direction will include components of **enhancing e-Government:** and **e-Inclusiveness:** in implementing its strategies | ✓ **ICT Infrastructure and Services;**<br><br>Efficient and effective rolled out of quality telecommunications infrastructure ( voice and broadband) services, Broadcasting and Postal services in underserved and underserved communities while ensuring Awareness, Access, affordability and availability of the services. |
| 2. **Digital Skills and Content:**<br><br>To include support for innovation to build relevant local content and applications targeting special groups; capacity building for the users in the category of special groups; addressing digital skills and literacy for special groups. The strategic direction will consist of components of **enhancing e-Government:** and **e-Inclusiveness:** in implementing its strategies | ✓ **Adequate skills, availability of local content, access to devices and applications** to encourage, promote and deepen usage of ICT services and products by all including e-Government services, especially by marginalized groups |
| 3. **Institutional Capacity:**<br><br>To include capacity enhancement through re-enforced USF governance framework, revised USF regulations, equipment, logistical support, human resource, building partnership and collaboration. The internal structures should have the capacity to address the needs of the users/ community and other collaborating institutions. The strategic direction will include components of **enhancing E-Government:** and **e-Inclusiveness:** in implementing its strategies | ✓ **Developed internal Capacity** adhering to corporate governance practices, improved fund Management, MEL, improved stakeholder engagement and improved adoption of technology for effective deployment of USF projects |

**Table 2: Key Result Areas**

## 3.3. Summary of the Strategic plan



**VISION**

A digitally transformed and all inclusive society

**MISSION**

Enabling a universally connected society through development of ICT networks and services in the unserved and underserved communities

Infrastructure and Service

Digital Skills and Content
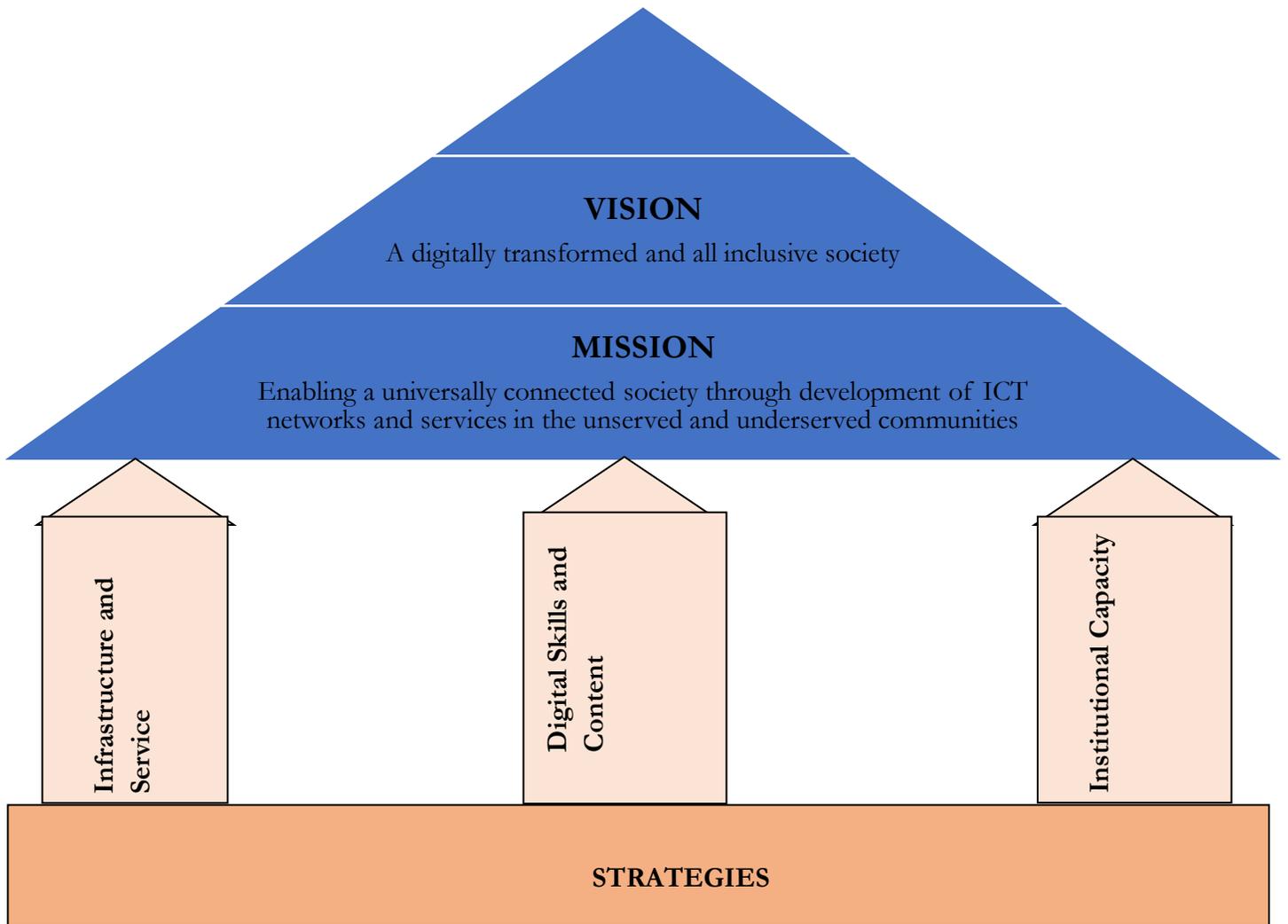
Institutional Capacity

**STRATEGIES**

**Figure 4: Summary of USF Strategic Plan 2022-2026**

## 3.4. Strategic Directions

This Strategic Plan is built on three (3) strategic directions, (22) strategic objectives, and (54) strategies.

Each of the three strategic directions must **embrace e-Inclusiveness** as a component in delivering their results. e-Inclusiveness will ensure ICT accessibility, affordability and availability for all peoples, including; women, girls, youth, marginalized, vulnerable populations, people from lower socio-economic groups, indigenous peoples, older persons and persons with disabilities.

The strategic directions are broken down into strategic objectives, strategies, and high-level activities and projects to be implemented during the strategic plan period. The Strategic Plan spells out the time frames, responsibilities and resource requirements based on annual budgets to deliver on each activity.

**Strategic direction 1:** The rollout of infrastructure and provision of quality Services: This covers all components of ICT services, devices and products (Voice, Data, Broadcasting, Postal and Courier); while ensuring inclusivity and that public institutions are e-enabled to drive the Government's services among the community in the unserved and underserved communities.

ICT infrastructure comprises the hardware and systems that support the rollout of ICT services. Therefore, ICT infrastructure and services is a core pillar for USF and the entire country's vision for Kenya's digital transformation through ICT. Notably, this strategic direction directly contributes to the USF's objective of promoting communications infrastructure and services rollout in rural, remote and under-served communities. As a pillar, ICT infrastructure & services constitutes the rollout of telecommunications infrastructure for voice and connectivity services, Broadcasting, and Postal services. Indeed, the NBS 2018-2023 and ICT Master Plan 2019-2029 recognize USF as a significant resource for funding infrastructure built into rural areas and to support training and awareness-raising activities in villages and public access points for users to promote broadband benefits and adoption.

The digitally marginalized areas suffer from the lack of physical infrastructure and accessibility to ICT services. In addition, data from the access gap studies have shown that many underserved and unserved communities suffer from poor connectivity and quality of service. Therefore, this strategic direction will utilize the funds to provide coverage solutions and seek collaborations and partnerships to offer holistic solutions for the communities under USF related projects.

The strategic direction has five distinct but related areas with specific objectives: a) Voice and Data; b) Broadcasting; c) Postal and Courier; d) e-Government applications; and e) e-Inclusivity. In addition, both infrastructure building and quality services will be the desired outcomes to be offered to the communities under USF coverage as described in Table 3.

.

| Specific Objective | Strategies | Expected Result/ KPI |
|---|---|---|
| | | |
| **1. Telecommunication (Voice& Data)** | | |
| 1.1. To enhance mobile broadband access through coverage in the remaining 4 % of the unserved and underserved communities in Kenya | 1.1.1. Completion of Phase 2 Voice project | No. of sub-locations covered |
| | 1.1.2. Implementation of Phase 3 projects | |
| | 1.1.3. Design and implementation of projects to cover the last 2 % 'True gap areas' in Kenya | |

| Specific Objective | Strategies | Expected Result/ KPI |
|---|---|---|
| 1.2. To enhance the quality of service within the already served areas by the Phase 1 & 2 USF Cellular Mobile Infrastructure project | 1.2.1. Conduct a QoS assessment on the phase 1 projects | % increase in the quality of service in sub-location covered under Phases 1 & 2 of USF Cellular Mobile Infrastructure project |
| | 1.2.2. Design and implementation of QoS assessment report findings | |
| | 1.2.3. Enforce co-location and infrastructure sharing for site subsidized by the Fund | |
| 1.3. To facilitate access to ICT devices and complementary ICT services | 1.3.1. Conduct a detailed assessment of the needed devices and support to the end-user | % increase on the baseline on ICT users in the targeted unserved and underserved communities |
| | 1.3.2. Design implement strategies to promote access to affordable ICT devices and complementary services, e.g. agent services, ICT Hubs etc. | |
| | 1.3.3. Design, procurement/grant/seek collaborations or partnerships and implement the project | |
| 1.4. To ensure that unserved and underserved attain access to coverage from all operators and ICT services | 1.4.1. Conduct a detailed assessment of all operator's coverage | % increase on the baseline coverage by service providers |
| | 1.4.2. Develop and implement frameworks to support affordable access to ICT services and to enhance digital literacy and skills | |
| 1.5. To facilitate the establishment of a Community Network in each county of the underserved communities | 1.5.1. Conduct a detailed assessment of the communities that Community Networks have a significant impact upon establishing | No. of Community Networks established |
| | 1.5.2. Design, procurement and implement the projects | |
| 1.6. To facilitate the adoption of new technologies and innovative solutions in helping address affordability, availability and accessibility of ICT services among the unserved and underserved | 1.6.1. Conduct a detailed assessment of potential technologies and innovations to address affordability, availability and accessibility of ICT services | No of technologies and innovative solutions implemented in closing the access gap within the principles of USF |
| | 1.6.2. Engage the industry players, including Institutions of higher learning, and policymakers on the best options for project design, management and implementation the projects | |
| | 1.6.3. Support research and innovation to support the provision of ICT | |

| Specific Objective | Strategies | Expected Result/ KPI |
|---|---|---|
| | solutions that promote digital inclusivity | |
| **2. Broadcasting:** | | |
| 2.1. **Coverage:** To facilitate the provision of DTT coverage to the unserved and underserved communities | 2.1.1. Install new transmitter sites in unserved and underserved communities<br><br>2.1.2. Provide transposers/gap fillers<br><br>2.1.3. Upgrade transmit power | % coverage of unserved and underserved communities |
| **3. Postal and Courier** | | |
| 3.1. **Coverage:** To expand the coverage of postal and courier services offices in underserved and unserved communities (gaps) areas to enhance the accessibility of Postal and Courier service | 3.1.1. Roll out postal and courier infrastructure through subsidies for CAPEX and OPEX for extending services to gap areas | % Coverage/ reach of postal and courier services in the unserved and underserved population, respectively |
| **4. - e-Government** | | |
| 4.1. To facilitate the provision of public government digital services to the underserved communities | 4.1.1. Establishment of E-resource Centres in the established *'Huduma'* Centres and deployment of ICT Hubs in unserved and under-serve areas | % increase from baseline on the improved provision of public government digital services |
| | 4.1.2. Provide and enable e-Health Centers and services | |
| | 4.1.3. Provide and enable e-Education in Schools | |
| | 4.1.4. Provide and enable e-agriculture for the special groups and marginalized communities | |
| **5. - e-Inclusivity** | | |
| 5.1. To enhance access to services across Voice and Data, Broadcasting, Postal & Courier among the persons with disabilities, women and other vulnerable groups in unserved and underserved communities | 5.1.1. Conduct interventions targeted towards innovation in the design of both digital gadgets, relevant content and content delivery mechanisms that consider persons with disabilities, women and other vulnerable group's needs and their context | % increase from baseline on level for access of ICT services and products to persons with disabilities, women and other vulnerable groups. |
| | 5.1.2. Promote the development of digital skills, access to infrastructure, and devices to persons with disabilities, women and other vulnerable groups at all postal and courier outlets | |

| Specific Objective | Strategies | Expected Result/ KPI |
|---|---|---|
| | 5.1.3. Investigate to generate evidence and statistics, and insights in digital disability gaps and contextual needs to drive user experience for persons with disabilities, women and other vulnerable groups | |
| | 5.1.4. Develop policies guidelines and enforce operators and the government to involve persons with disabilities, women and other vulnerable groups during design stages of services | |

**Table 3: Strategic Direction 1 - Infrastructure and Service**

**Strategic direction 2:** Digital Skills and Content: This entails building users' capacity and developing content & applications for the users to appreciate and generate value through ICT services and content.

Local content and application creation are a stimulant for increased ICT usage. Referring to DAP partners' studies and their recommendations, demand stimulation for ICT products and services could be better done by making the local community appreciate the need to leverage ICT as an enabler to social-economic issues. Through capacity building and partnerships with relevant institutions in content, application development, and training, the locals will be introduced to appropriate telecommunication and ICT services. When services and products are demand-driven, it becomes easier to encourage and promote them. As earlier intimated by the sustainability wheel, the demand side will be driven by the change in behaviour and perception of ICT as an enabler for the communities' livelihood.

The Access Gap Study 2021 made recommendations to ensure the accessibility of communication services to persons with disabilities, women and other vulnerable groups. Accessibility covers gadgets, content, applications and training. ICT skills enhancement leveraging technological innovation will produce a wide range of local and relevant digital content. These solutions must be tailored and made to address the local users and their needs as described in Table 4.

The Use and Impact study recommends developing local content tailor-made for different demographic categories such as women, youth, PWDs, Tech-Savvy Youth, and men.[14]

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[14] Viscar Industrial Capacity Ltd. Use and Impact of Universal Service (Voice and Data) deepening usage for enhanced inclusivity in Kenya, 2022 Unpublished Report

| Specific Objective | Strategies | Expected Results |
|---|---|---|
| | | |
| **6. Local content and applications** | | |
| 6.1. To promote ICT content and application usage and uptake in rural underserved communities | 6.1.1. Promote the use of Community Radio Broadcast over the Internet | % increase from baseline on level of ICT content and application usage and uptake |
| | 6.1.2. Promote the incorporation of appropriate and relevant content creation by operators while rolling out USF projects for voice and data | |
| | 6.1.3. Promote research and innovation to support the development of e-commerce applications and platforms services such as Local USSD, Web and Mobile applications | |
| **7. Capacity Building** | | |
| 7.1. To conduct digital literacy programs in rural and underserved communities | 7.1.1. Develop digital literacy program and deliver to the community | No of digital literacy programs developed and conducted |
| | 7.1.2. Develop community capacity to appreciate ICT as an enabler of social-economic development | |
| **8. Training hubs and competent & skills training centers:** | | |
| 8.1. To facilitate establishing e-training centers internet Access points in rural underserved communities | 8.1.1. Establish and fund Innovation Hubs and ICT Community Centers (e.g. Develop applications and content)applications and content) | No of e-Training Centers internet Access points |
| 8.2. To facilitate establishing skills centers in rural underserved communities | 8.2.1. Establish the relevant ICT skills needed within the community. | No of skills centers established |
| | 8.2.2. Establish the skills centers, develop, and train local skills to earn a living from the skills (e.g. Internet-related skills like YouTube while creating a platform for them to use, Broadcasting skills and providing radio studio for use) | |
| **9. Content development - e-Government** | | |
| 9.1. To promote and encourage the use and take-up of e-Government | **9.1.1.** Promote existing business and public e-platforms and | |

| Specific Objective | Strategies | Expected Results |
|---|---|---|
| applications by the underserved, unserved and marginalized groups | applications (e-Health, Education, Agri-pastoralists, *Huduma* centers and both County and National Governments | % Increase from baseline on the usage of e-Government applications and platforms |
| | **9.1.2.** Promote the customization of business and public e-platforms and applications (e-Health, Education, Agri-pastoralists, *Huduma* centers at both County and National Governments to suit the users' operation environment. | |
| 10.  **Capacity building and Content - e-Inclusivity** | | |
| 10.1.    To enhance access to capacity building programs and content on Voice and Data services, Broadcasting, Postal & Courier to persons with disabilities, women and other vulnerable groups in unserved and underserved communities. | 10.1.1. Conduct interventions that target content and delivery mechanisms that consider persons with disabilities, women, and other vulnerable groups' needs and context. | % increase from baseline on level for access to capacity-building programs and content to persons with disabilities, women and other vulnerable groups. |
| | 10.1.2. Promote access to content and capacity building to persons with disabilities, women and other vulnerable groups at all postal and courier outlets. | |
| | 10.1.3. Develop policies guidelines, and enforce operators and the government to involve persons with disabilities, women, and other vulnerable groups during content and application development design. | |

**Table 4: Strategic Direction 2: Digital Skills and Content**

**Strategic Direction 3:** Institutional Capacity: Developed internal capacity adhering to corporate governance practices, enhanced management, MEL and improved technology to manage underserved and unserved regions

Institutional Capacity entails enhancing CA/USF department's ability to successfully engage various USF stakeholders at different stages along the entire USF value chain. This strategic direction will consider institutional strengthening through capacity enhancement by enhancing governance, project management, resource mobilization and partnership development. The pillar will endevour to improve on equipment, logistical, human resource resources, build on partnerships, collaboration, constituting USAC, and enhancing projects management and monitoring.

On average, USF collects about **KES 1.2 billion** yearly from licensed operators. This amount requires to be disbursed efficiently for sustainable and impactful projects. CA is to establish structural working

relationships with multiple stakeholders from different government departments and Ministries. The Institutional Capacity process will require adhering to corporate governance practices and improving the technology used to enforce regulatory requirements in underserved and unserved communities. In addition, the projects require effective and efficient monitoring, which will require external assistance as some parameters are outside the mandate of CA. Besides, for USF to embrace e-government and e-Inclusivity related projects, it must develop internal capacity to handle such tasks with diverse social-economic impacts. Therefore, institutional strengthening aims to develop an appropriate and well-sized institution as outlined in Table 5,.

| Specific Objective | Strategies | Expected Results |
|---|---|---|
| **11. Capacity enhancement (Equipment, logistical, human resource)** | | |
| 11.1. To capacity build staff within CA to deliver on USF related projects | **11.1.1.** Conduct competence and skills assessment to establish projected HR needs | % increase on human resources competent to deliver on USF assignments and activities |
| | **11.1.2.** Recruit and retain competent staff levels to undertake USF projects and activities | |
| 11.2. To equip the department with relevant equipment and technologies to enhance the quality of service monitoring | **11.2.1.** Adopt emerging technologies in monitoring QoS at the USF related areas | % increase on available equipment and technology to deliver on USF assignments and activities |
| | **11.2.2.** Adopt emerging technologies for conducting access gap studies and identify gap areas | |
| **12. Partnership and Collaboration** | | |
| 12.1. To enhance project implementation through partnership and collaboration with other institutions in providing users' solutions in the underserved communities | 12.1.1. Develop partnerships, collaboration agreements and working relationships with government agencies and other implementing partners | No of MOUs and implementing agreements established |
| **13. Governance and Projects Management** | | |
| 13.1. To enhance stakeholder engagement and communication | 13.1.1. Develop and implement an integrated stakeholder engagement and communication strategy | % level of increase on communication and engagement with stakeholders |
| 13.2. To enhance the fund's sources, management, and disbursement | 13.2.1. Develop and implement a resource mobilization plan to encompass other sources of funds | An established structure that supports sufficient finance resourcing, efficient management and disbursement. |
| | 13.2.2. Review the Project design and procurement process to introduce efficiency in disbursement and project management | |

| Specific Objective | Strategies | Expected Results |
|---|---|---|
| | 13.2.3. Develop policies and guidelines on how the allocation of the fund to all components of ICT (to include - Postal and Courier, Broadcasting and Voice and Data, e-inclusivity, e-public services) | |
| 13.3. To enhance the Monitoring, Evaluation and Learning component of USF related projects | 13.3.1. Assess and establish indicators to be handled internally and externally | Enhanced MEL framework that captures social-economic components of USF projects |
| | 13.3.2. Establish policies and guidelines on capturing external indicators | |
| | 13.3.3. Establish an engagement framework working with external evaluators | |

**Table 5: Strategic Direction 3: USF Department Institutional Capacity**

# CHAPTER 4: IMPLEMENTATION AND GOVERNANCE FRAMEWORK

## 4.0. Introduction

This chapter will guide the implementation and coordination of the Strategic plan. The chapter will address the capacity building of management to implement the plan, institutional strengthening, risks, and resources to finance the Strategic plan. In addition, the chapter discusses the implementation of strategy and governance framework. With advice from USAC, the CA Board and USF management are responsible and accountable for the management, administration of the Fund, and the implementation of its programs.

## 4.1. Implementation of the Strategy

### 4.1.1. Capacity Development and Plan Management

This Strategic Plan will require CA to build capacity in the strategic directions that require new skills and knowledge for successful implementation. The management must commit to ensuring the resources and needed infrastructure are available. Strategic Plan implementation calls for full commitment from the management, discipline, consistent leadership, and involvement of all staff members engaged in handling USF related functions. The implementation activities need to be cascaded to the implementing teams or sections. These teams require training to understand the means and ways of monitoring desired indicators. Therefore, tasks and responsibilities drawn from the plan will be devolved to all levels to allow maximum participation of all the staff within and supporting departments. Since the USF managers will have the operational plan, there will be a need for sensitization and planning at various levels for ease of implementation.

The proposed collaborating and partnerships structures will carry out their appropriate roles and mandates based on the agreed MOUs. Successful Plan implementation will depend significantly on a practical implementation matrix annexed on this plan. The implementation matrix has either an office or institution allocated to each activity to be delivered. A workshop to craft the above is recommended for successful implementation and roles allocation

### 4.1.2. Resource Requirements

**Financial Resources**

Sufficient funding is required for this Strategic plan and obligations of the fund to be achieved. The sources of financing for the activities rely upon funds raised through levies, grants, and collaborating partners in any project. Therefore, it will be prudent that the external partners are sourced, and MOUs established at the early stages of project designs. There is a need for the USF to enhance communication and accountability to the licensees to build a working relationship.  To have other contributors to the fund, CA should lobby and write proposals to partners and funders to finance the activities that have a high social-economic impact for the communities under the USF related communities.

**Technological Resources**

To effectively discharge its mandate, CA must invest in new technologies and applications to manage the envisaged quality, effective and efficient demands from the strategic plan. As an example, there is a need for technology to monitor the quality of services, continued establishing of gap areas, monitoring of social-economic indicators, just to mention a few. Furthermore, these technologies and applications are crucial for the regulator not to rely on data collected from operators whose data might not accurately represent reality on the ground.

**Human Resources**

The holistic approach to projects calls CA to have staff with skills and abilities beyond its core mandate. This plan seeks to have teams who can handle collaborations and Partnerships, negotiation skills and community engagement. The new projects require skills that blend ICT and community needs. The social-economic parameters related to communities ought to be interpreted for learning purposes as projects are improved and made to embrace users' and stakeholder' input

e-Government projects targeting schools, health facilities and Agri-pastoralists calls for skills in such sectors. In addition, e-Inclusivity as one of the objectives of the Fund require a person with knowledge in working with PWDs, gender and marginalized communities. The organization needs to establish the best structure that embraces special projects and the complexity of implementing and monitoring such projects. The evaluations of past projects show that some projects didn't include resource sharing or sustainability components, which ended up being unsustainable.

Insert the USF HR Structure

### 4.1.3. Institutinal and Governance Structure

**Governance Structure**

The Communications Authority of Kenya (CA) governs the fund, with oversight from the Universal Service Advisory Council (USAC). USF falls under the Universal Service fund department headed by a director at a management level. However, the implementation of USF cuts across all other departments at CA: Competition Tariffs, Market Analysis (CTMA), Multimedia services (MS), Information Technology (IT), Frequency Spectrum Management (FSM), Licensing, Compliance and Standards (LCS), Human Resource and Administration (HCA), Legal Services, Communication & External Affairs (CEA), Finance & Accounts, Procurement, Risk Management & Internal Audit, and Cyber Security and E-Commerce.
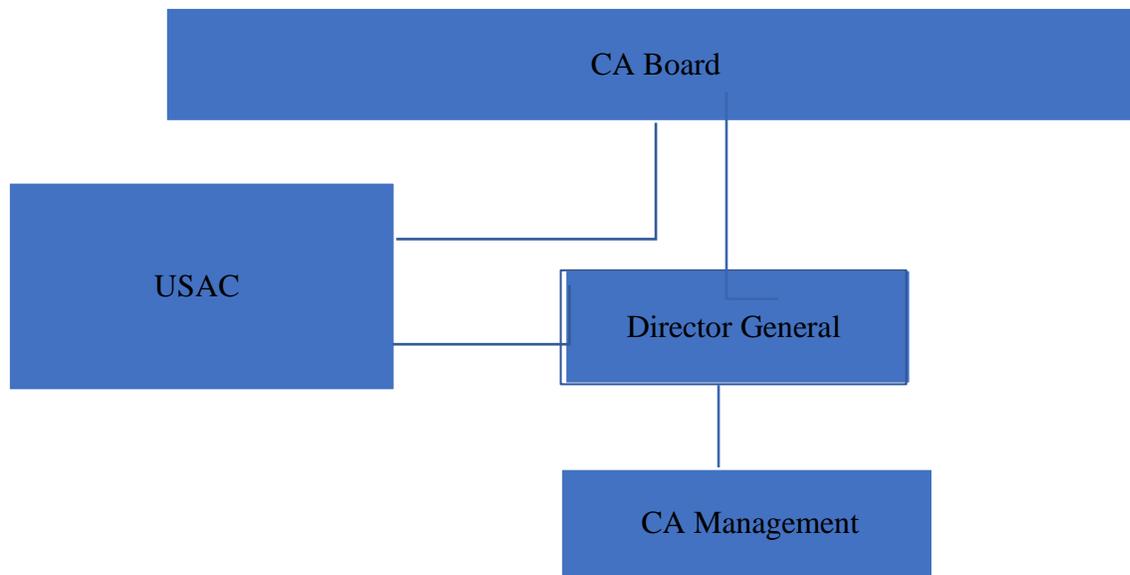
**Figure 5: Governance Structure**

**Institutional Structure**

The CA Management committee, whose composition is heads of departments or its equivalent, will thus oversee the implementation of the Strategic Plan at a top management level. The Strategic Plan Implementation Committee (SPIC) will lead the implementation at an operational level and report to CA management. Members of SPIC will be picked from projects leads, with the leadership coming from the director USF department. SPIC will be responsible for developing the implementation plan drawn from the Strategic Plan. The work plans will constitute the responsibilities timeline for reporting and monitoring targets. SPIC may consider having Special Purpose committees (SPC) to focus on a selected project or issue. The proposed implementation structure will ensure buy-in from top management, create synergy across the entire organization, ensure all areas of ICT are represented and encourage innovation. Besides, the proposed structure will quicken decision making and resource allocation
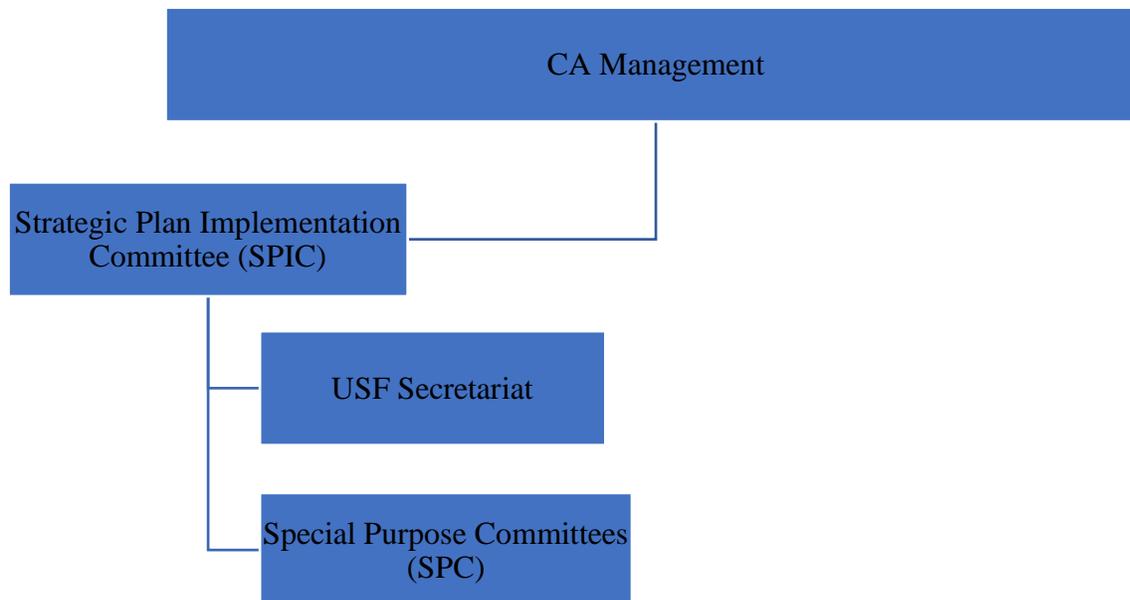
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                    ┌─────────────────────────────────┐
                    │          CA Management          │
                    └─────────────────────────────────┘
                                    │
  ┌──────────────────────────────┐ │
  │ Strategic Plan Implementation│─┘
  │       Committee (SPIC)       │
  └──────────────────────────────┘
         │
         │   ┌──────────────────────────┐
         ├───│      USF Secretariat     │
         │   └──────────────────────────┘
         │
         │   ┌──────────────────────────┐
         └───│ Special Purpose Committees│
             │           (SPC)          │
             └──────────────────────────┘
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*Figure 6: Implementation and Management Structure*

## 4.2.  Projects

This section provides a preview of the projects proposed in line with the Strategic Objectives and Strategies under each pillar. The rollout is costed and phased out across the 5 years as shown in Annex 2, embedded as a spreadsheet.

### 4.2.1.  Infrastructure and Services

These projects will address the ICT Infrastructure and services rolled out in telecommunications infrastructure voice and connectivity services, broadcasting, and postal and Courier services in rural, remote and underserved areas. At the same time, special projects dedicated to e-government and e-inclusivity are proposed

4.2.1.1.   Under **Voice and data**, projects proposed include subsidizing mobile netwok operators against the cost of providing broadband coverage to close the gaps in the remaining 4 % of the unserved and underserved communities in Kenya and ensuring that all operators provide services in already covered locations plus new locations. The projects to close the gaps are phased out in line with the 2021 Access gap report recommendations. The Phased approach will also establish updated coverage status after implementing each phase. This will allow a more accurate implementation of the next phase. The USF must also ensure that all operators provide services in gap areas to accord users freedom of choice. The USF is also required to fund the establishment of at least 100 Community Networks in the next five years. It is proposed that this be done by advertising the issuance of grants to interested licensees who meet the set requirements. To enable the adoption of new solutions in ensuring affordability, availability, and accessibility, USF must fund a study to generate a report to guide in terms of the technologies available and the issues around the implementation of the report. To ensure the availability and affordability of communication devices among the unserved and underserved communities, CA should convene a stakeholder forum to discuss the same and enforce the adoption of the resolutions. Projects under Voice and Data projects have an estimated cost of Kshs. **6,191,000,000.00**

4.2.1.2.   Broadcasting projects include providing coverage of the 1,137 sub-locations without Digital Terrestrial Television (DTT), all falling in the gap areas. Other projects include ensuring coverage of the 1,240 sub-locations with radio broadcasting services, improving the signal and service quality of radio broadcasting in underserved communities, improving DTT signal in areas with poor signal and lower signal coverage. The projected cost is Kshs. **1,373,250,000.00**

4.2.1.3.   Postal & Courier projects include expanding the coverage of postal and courier services offices in the underserved and unserved (gaps) areas to enhance the accessibility of Postal and Courier services. It is envisaged that USF should fund the establishment of at least 100 Citizen Service Centres in the next 5 years. These CSC will act as both postal and courier service centres. In addition, the same infrastructure will host broadcasting studios act as e-training centres. With the P&C facing still competition from emerging technologies thus struggling to survive, there is a need for innovative solutions. To that extent, it is proposed that USF fund pilot projects for last-mile delivery solutions. The estimated cost for projects under P&C is   Kshs**. 5,100,000,000.**

4.2.1.4.   Under **e-government,** it is proposed that USF focuses on Health and Education in the next 5 years. Thus three projects are envisaged, with USF providing CAPEX for the projects

a)  In collaboration with PCK and the National government USF should convert at least **100** Postal centers in the underserved and unserved communities into Huduma centers. This will serve to enhance government services among these communities

b)  According to the Access Gap study report 2021, there are about 2000 health centers in the counties that contain most of the underserved and unserved communities. Therefore, this Strategic Plan proposes that USF facilitates the provision of dedicated broadband to at least 1500 health centers in the next 5 years. First, however, this project should proceed with a study or poll to establish each health centre's status concerning Broadband connectivity.

c)  According to the Access Gap study report, 2021 there are about 5000 public primary schools in the counties with unserved and underserved communities. Therefore, this strategy proposes that USF funds the CAPEX of providing dedicated broadband to all the primary schools in the underserved and unserved communities.

The three projects under e-government are estimated to cost Kshs. **7,100,000,000.00**.

4.2.1.5.   **e-inclusivity** projects will include the provision of access to infrastructure and devices for persons with physical, visual, hearing and cognitive disabilities to enable access of ICT services in public institutions in the underserved and unserved communities, and undertaking a study to generate evidence and statistics, and insights in digital disability gaps and contextual needs to drive user experience for persons with disabilities, women and other vulnerable groups. The total budget is Kshs. **190,000,000.00**.

**Total Consolidated Projects costs under Infrastructure and Services is Kshs. 20.204B**

### 4.2.2.   Digital Skills and Content

Digtial Skills and Content: This entails building users' capacity and developing content & applications for the users to appreciate and generate value through ICT services and content. One of the specific areas of focus under this strategic direction is **Local content and applications.** It entails developing relevant content and applications to serve the unserved and underserved communities. The projected budget is **Kshs. 340,000,000.00. The estimated cost for Local Content and Applications** development constitute data collection, development, facilitation, logistics and support. **Relevant content will be developed to cover the community's livelihood and social-cultural lifestyle, health, and broadcasting.**

**Capacity Building which** is the second area of interest under this strategic plan period, requires developing and facilitating capacity building programs for the unserved and underserved communities. The budget projected is **Kshs. 147,000,000.00.** The estimated cost for Capacity building constitutes data collection, curriculum development, facilitation, logistics, running awareness programs and support. The capacity building will be done across Voice and Data, Broadcasting, and Postal and Courier Services. **The pillar has a total consolidated budget of Kshs. 487 M**

### 4.2.3. Institutional Capacity

Projects under this pillar are aimed at helping CA develop internal capacity to ensure adherence to corporate governance practices, enhanced project and stakeholder management, enhanced monitoring evaluation and learning (MEL), and access to new technologies to enhance the design and management of USF projects. **While some projects/activities require internal execution by CA, others will require the engagement of an external consultant for implementation. It is recommended that USF invests in** emerging technologies such as IoT and AI to enhance the quality of data collection, access gap studies, monitoring of the quality of services. In addition, USF needs to deliberately enhance stakeholder engagement while also engaging key stakeholders through partnership and collaboration agreements. Currently, the sources of funds are inadequate to cover the planned projects, hence a recommendation to develop a Resources Mobilization Strategy. Given USF's position in serving the underserved and unserved while ensuring inclusivity, it is required that USF review the existing e-government platforms and make recommendations on changes required to accommodate communities in the unserved and underserved areas in terms of their livelihood. The same action is required to generate recommendations that lead to developing policies guidelines and enforce operators and the government to mainstream persons with disabilities, women and other vulnerable groups during design and implementation. **The projected budget for this pillar is Kshs. 607,000,000.00**

### 4.3. Strategic Plan Budget

The total budget to finance the implementation of this plan is shown below in Table 7 and phased over the five years plan period.

| Key Result Area | Est-Total Cost (Kshs) | Year 1, (Kshs) | Year 2 (Kshs) | Year 3 (Kshs) | Year 4 (Kshs) | Year 5 (Kshs) |
|---|---|---|---|---|---|---|
| 1. Infrastructure And Service | **20.204b** | 5.642b | 3.312b | 3.680b | 4.2351b | 3.345b |
| 2. Digital Skills and Local Content | **487m** | 403m | 21m | 21m | 21m | 21m |
| 3. Institutional Capacity | **585m** | 300m | 83m | 83m | 75m | 74m |
| **Grand Total** | **21.306b** | **6.345b** | **3.316b** | **3.784b** | **4.331b** | **3.353b** |

**Table 6: Strategic Plan Budget Over five years Period**

### 4.4. Risks and Success Factors

The implementation of this strategic plan has considered the below risks, rated them and provided some mitigation measures. However, it will be prudent for the implementers of the Strategic Plan to be aware that as the environment changes, some of the risks might arise during the implementation phase.

| Risks | Level of Risk Rating | Mitigation strategies |
|---|---|---|
| ● High expectations from the beneficiaries. | ● High | ● Provide clear messages using the available channels (Website, Local FM stations and Brochures)<br>● Maintain regular (annual) consultative contact |

| Risks | Level of Risk Rating | Mitigation strategies |
|---|---|---|
| ● Limited communication to the licensees | ● High | ● Provide information on operational and financial performance<br>● Ensure full attendance by the members<br>● Provide structured messages to the stakeholders and members on the organization's mandate, objectives and programs |
| ● In adequate Funds Resourcing, absorption and disbursing | ● Medium | ● Extend efforts to expand on the funding sources<br>● More partners and collaborators on projects |
| ● Need to establish a more substantial presence in the underserved and unserved communities | ● High | ● Establish local partnerships and branding of sites<br>● Implement programs that have a more social-economic impact on the communities |
| ● Interference from the rest of the government in terms of expectations to fund projects outside USF | ● Very High | ● Identify and document priority projects in the Strategic plan.<br>● Recast the position of USF as strictly serving the underserved and underserved communities |
| ● Inadequate internal capacity to manage complex projects | ● Very High | ● Tender and outsource some of the functions that are labour intensive |
| ● Inadequate Stakeholder management strategies | ● High | ● Develop USF specifics communication, stakeholder engagement strategy<br>● Monitor and Evaluate the implementation of these strategies and institute improvement actions |
| ● Targeted Community resistance | ● Very High | ● Develop community engagement strategies<br>● Monitor and Evaluate the implementation of this strategy and institute improvement actions |
| ● Imminent Destruction of deployed ICT infrastructure | ● Very High | ● Establish partnership to achieve the operationalization of ICT Critical Infrastructure laws to protect ICT Infrastructure |
| ● Inadequacies in USF project design and implementation | ● Very High | ● Capacity building in complex project management<br>● Compliance with the existing Public Finance, Project Implementation and Procurement laws |
| ● Sustainability of Funded projects | ● High | ● Enhancing project design to include advance inclusion of project sustainability proposals |

| Risks | Level of Risk Rating | Mitigation strategies |
|---|---|---|
| | | • Effective Partnerships and collaboration in implementation of projects |

**Table 7: Risks and Mitigation on Implementation**

# CHAPTER 5: MONITORING AND EVALUATION (M&E) FRAMEWORK

### 5.0. Monitoring and Evaluation (M&E) Framework

The overall purpose of monitoring and evaluation (M&E) is to track activities and indicators of strategic plan implementation. It is a process of ensuring that resources are spent as planned within the framework of strategic plan projections and budgets. Besides, activities should be scheduled within time frames to realize the stated strategic objectives.

The Annual Action Plans (AAP) will be the basis for evaluating the implementation of this strategic plan. The action plans shall be used to outline the milestones and deliverables and their respective due dates. The action plans will be implemented in the following categories.

- Immediate action plans (January 2022-December 2022),
- Medium-term action plans (January 2024-December 2024),
- Long term action plans (December 2022-2026)

Reporting will be done quarterly using progress reports to ensure that planned activities are progressively implemented; and that setbacks and variations are addressed as they arise. CA management will ensure that monitoring structures are implemented. Evaluation will be a continuous exercise to assess the impact of the implemented action plans.

To ensure that the CA/USF remains focused on the strategic path defined in the Strategic Plan, this Plan shall be instrumental in the budget formulation. It will derive the items/activities from the annual budget. Therefore, the operational plan will not be an end in itself but rather a tool for implementing the strategic plan.

Strategic Plan Review and Survey (Midterm assessment)

After two years of implementation, the strategic plan will be reviewed to assess overall performance by USF projects. External evaluations (Midterm and End Term Evaluations) will establish the activities' outcome based on the expected results. In addition, the review will assess the strategic plan strategies and indicators to inform subsequent implementation. The strategic plan is not likely to take significant shifts after the midterm review, though additional, if necessary, priority areas will be included.

# ANNEX

## ANNEX: 1: Key Result Areas, Strategic Objectives, Key Performance Indicators, Baselines and Targets

| Key Result Area (KRA) | Strategic Objectives | | Key Performance Indicator (KPI) | Baseline | Target |
|---|---|---|---|---|---|
| **ICT Infrastructure and Services** rolled out in telecommunications infrastructure voice and connectivity services, Broadcasting, and Postal services in unserved and underserved communities. | | | | | |
| 1. **Telecommunication (Voice & Data** | 1.1. | To ensure quality voice and data coverage, in the remaining 4 % of the unserved and underserved communities in Kenya | % coverage | 96 % | 100% |
| | 1.2. | To enhance the quality of service within the already served areas by the Phase 1 project | % Quality of Service for Phase 1 | TBD | TBD |
| | 1.3. | To facilitate the provision of sufficient support such as devices and complementary services to promote the use of Voice and data services | % increase on baseline support for devices and airtime | TBD | TBD |
| | 1.4. | To ensure that unserved and underserved attain coverage from all operators | % increase on baseline coverage by service providers | TBD | TBD |
| | 1.5. | To facilitate the establishment of a 100 community Network in the unserved and the underserved communities | No. of Community Networks established | TBD | TBD |
| | 1.6. | To facilitate the adoption of new technologies and innovative solutions in helping address affordability, availability and accessibility of ICT services among the unserved and underserved | No of new technologies and solutions adopted by USF to enhance coverage of the unserved and the underserved | TBD | TBD |

| Key Result Area (KRA) | Strategic Objectives | Key Performance Indicator (KPI) | Baseline | Target |
|---|---|---|---|---|
| **2. Broadcasting** | 2.1. **Coverage:** To provide coverage of the unserved and underserved area without Digital Terrestrial Television | % coverage of unserved communities | | 100% |
| **3. Postal and Courier** | 3.1. **Coverage:** To expand the coverage of postal and courier services offices in underserved (gaps) areas to enhance the accessibility of Postal and Courier service | % Coverage/ reach of postal and courier services in the unserved and underserved population, respectively | TBD | No. of sub-locations covered 100% of the population |
| **4. Infrastructure and services - e-Government** | 4.1. To provide public government digital services to the underserved communities | % increase from baseline improved provision of Public government digital services | TBD | TBD |
| **5. Infrastructure and Services - e-Inclusivity** | 5.1. To enhance access to services across Voice and Data, Broadcasting, Postal & Courier among the persons with disabilities, women and other vulnerable groups in unserved and underserved communities | % increase from baseline level for access of ICT services and products to persons with disabilities, women and other vulnerable groups | TBD | TBD |
| **Digital Skills and Content: Developed local content and applications** to encourage and promote usage of ICT services and products | | | | |
| **6. Local content and applications** | 6.1. To promote ICT content and application usage and uptake in rural underserved communities | % increase from the baseline level of ICT content and application usage and uptake | TBD | TBD |
| **7. Capacity Building** | 7.1. To conduct digital literacy programs in rural and underserved communities | No of digital literacy programs developed and conducted | TBD | TBD |
| **8. Training hubs and competent & skills training centers:** | 8.1. To establish e-training centers internet Access points in rural underserved communities | No of e-Training Centers internet Access points | TBD | TBD |
| | 8.2. To establish skills centers in rural underserved communities | No of skills centers established | TBD | TBD |
| **9. Capacity building and content - e-Government** | 9.1. To promote and encourage the use of e-Government applications | % Increase from baseline on the usage of e-Government applications and platforms | TBD | TBD |

| Key Result Area (KRA) | Strategic Objectives | Key Performance Indicator (KPI) | Baseline | Target |
|---|---|---|---|---|
| **10. Capacity building and Content - e-Inclusivity** | 10.1. To enhance access to capacity building programs and content on Voice and Data services, Broadcasting, Postal & Courier to persons with disabilities, women and other vulnerable groups in unserved and underserved communities | % increase from baseline on level for access to capacity-building programs and content to persons with disabilities, women and other vulnerable groups. | TBD | TBD |
| **Institutional Capacity: Developed internal capacity** adhering to corporate governance practices, enhanced management, MEL and improved technology to manage underserved and unserved regions | | | | |
| **11. Capacity enhancement (Equipment, logistical, human resource)** | 11.1. To capacity build staff within CA for delivery on USF related projects | % human resources competent to deliver on USF assignments and activities | TBD | TBD |
| | 11.2. To equip the department with relevant equipment and technologies to enhance the quality of service monitoring | % available equipment and technology to deliver on USF assignments and activities | TBD | TBD |
| **12. Partnership and Collaboration** | 12.1. To enhance project implementation through partnership and collaboration with other institutions in providing users' solutions in the underserved communities | No of MOUs and implementing agreements established | TBD | TBD |
| **13. Governance and Projects Management** | 13.1. To enhance stakeholder engagement and communication | % level of increase on communication and engagement with stakeholders | TBD | TBD |
| | 13.2. To enhance the fund's sources, management, and disbursement | Established structure on sufficient resourcing, efficient management and disbursement | TBD | TBD |
| | 13.3. To enhance the Monitoring, Evaluation and Learning component of USF related projects | Enhanced MEL framework that captures social-economical components of USF projects | TBD | TBD |

| Key Result Area (KRA) | Strategic Objectives | Key Performance Indicator (KPI) | Baseline | Target |
|---|---|---|---|---|
| | 13.4. Review the Project design and procurement process to introduce efficiency in disbursement and project management | Time to Service (TTS)- of USF services based on baseline | TBD | TBD |

**ANNEX: 2:  Attached-embedded**

**ANNEX: 3:  List of Phase 3 sublocations-to be attached**

**ANNEX: 4:  List of proposed Broadcasting sites-to be attached**

**ANNEX: 5:  Propose MEL Framework-to be attached**

**ANNEX: 6 List of Respodents and Key stakeholders interacted with.**

## ANNEX 5: Project's Monitoring and Evaluation Framework

| | Key Result Area | Project | KPI | Baseline | Target | MoV | Frequency | Responsibility |
|---|---|---|---|---|---|---|---|---|
| | | **Strategic Direction 1**: ICT Infrastructure and Services rolled out in telecommunications infrastructure voice and connectivity services, Broadcasting, and Postal services in rural, remote and underserved areas. | | | | | | |
| 1 | **Telecommunication Voice and Data** | 1. Completion of Phase 2 Voice project | % coverage | 96 % | 100% | No of new sites | Quarterly | TBD |
| | | 2. Design and implementation of Phase 3 Projects<br>a) Subsidy for 67 macro sites<br>b) Subsidy for 24 Small sites<br>c) Subsidy for 195 small sites<br>d) Subsidy to cover the last 2 % (true gap areas) | % coverage | | | No of new sites | Quarterly | TBD |
| | | 3. Conduct a detailed assessment of all operators' coverage, design and implementation of the projects | % coverage | TBD | 100% | Assessment report | Quarterly | TBD |
| | | 4. Facilitate the establishment of 10 CNs per year | % population using broadband from CNs | TBD | 100 | No of CNs | Quarterly | TBD |
| | | 5. Conduct a detailed assessment of potential technologies and innovations to address affordability, availability and accessibility of ICT services | No of technologies and innovations | TBD | TBD | Assessment report | Yearly | TBD |
| | | 6. Support targeted research and innovation to develop solutions for special groups | No of Solutions from supported researches | TBD | TBD | No. of research on solutions for special groups supported | Yearly | TBD |

| | Key Result Area | Project | KPI | Baseline | Target | MoV | Frequency | Responsibility |
|---|---|---|---|---|---|---|---|---|
| | | **Strategic Direction 1**: ICT Infrastructure and Services rolled out in telecommunications infrastructure voice and connectivity services, Broadcasting, and Postal services in rural, remote and underserved areas. | | | | | | |
| 2 | **Infrastructure Broadcasting** | 7. Provide subsidies to construct 6 Greenfield integrated sites | % coverage | TBD | 6 | No. of greenfield sites | Quarterly | TBD |
| | | 8. Provide subsidies to construct 3 standalone DTT sites | % coverage | TBD | 3 | No. of DTT sites | Quarterly | TBD |
| | | 9. Provide subsidies to construct 1 standalone FM radio site | % coverage | TBD | 1 | No. of Standalone FM radio sites | Quarterly | TBD |
| | | 10. Provide subsidies for multi-tenant broadcast studios for both DTT and FM radio | No of the services offered in the studios | TBD | 5 | No. of multi-tenant broadcast studios | Quarterly | TBD |
| | | 11. Provide subsidies for 5 transmitter upgrades | % coverage | TBD | 5 | No of transmitter upgrades | Quarterly | TBD |
| 3 | **Infrastructure Postal & Courier** | 12. Facilitate the establishment of 100 Citizen Service Centers to operate on an open-access model in the unserved and underserved communities | No of Services offered in Citizen Service Centers | TBD | 100 | No. of CSC | Quarterly | TBD |
| | | 13. Implement pilot studies in innovation for Postal and Courier Services for last-mile delivery | No of innovations | TBD | TBD | No. of pilot studies in innovation | Yearly | Research |
| 4 | **Infrastructure & services-e-Government** | 14. <mark>In collaboration with PCK and the National government, convert at least 100 Postal Centers in the underserved and unserved communities into *Huduma* centers</mark> | No of the services offered at *Huduma* Centers | TDB | 100 | No of *Huduma* Centers | Quarterly | Technical |
| | | 15. Facilitate the provision of dedicated broadband to at least | No of health services using | TBD | 1500 | No. of health | Quarterly | Technical |

| | Key Result Area | Project | KPI | Baseline | Target | MoV | Frequency | Responsibility |
|---|---|---|---|---|---|---|---|---|
| **Strategic Direction 1**: ICT Infrastructure and Services rolled out in telecommunications infrastructure voice and connectivity services, Broadcasting, and Postal services in rural, remote and underserved areas. |
| | | 1500 health centers in the underserved and unserved communities | broadband at health centers | | | centers using broadband | | |
| | | 16. Facilitate the provision of dedicated broadband to at least 5000 primary schools in the underserved and unserved communities | No of education services used by connected Primary Schools | TBD | 5000 | No. of Primary Schools connected | Quarterly | Technical |
| 5 | **Infrastructure and Service -e-Inclusivity** | 17. Undertake a study to generate evidence and statistics, and insights into digital disability gaps and contextual needs to drive user experience for persons with disabilities, women and other vulnerable groups | No of needs to drive deepening of usage for PWDs, Women and Vulnerable groups | TBD | TBD | No. of studies | Yearly | Research |
| | | 18. Provide access to ICT infrastructure and devices (for persons with physical, visual, hearing and cognitive disabilities) for PWDs at all public service centers in the underserved and unserved communities | % usage of PWD infrastructure and devices | TBD | TBD | No. of Public Service Centers fitted with PWDs devises | Quarterly | Technical |

| | Key Result Area | Project | KPI | Baseline | Target | MoV | Frequency | Responsibility |
|---|---|---|---|---|---|---|---|---|
| | Strategic Direction 2: Digital Skills and Content: This entails building users' capacity and developing content & applications for the users to appreciate and generate value through ICT services and content. ||||||||
| 6 | **Local content and applications** | 19. Development and implementation of relevant content and applications to serve the unserved and underserved communities | % level of content usage | TBD | TBD | No of local content and applications developed | Yearly | Research |
| 7 | **Capacity Building** | 20. Develop and facilitate Capacity Building programs for the unserved and underserved communities | No. of beneficiaries of capacity building programs | TBD | TBD | No. of capacity building digital programs conducted | Quarterly | Research |

| | Key Result Area | Project/Activity To Be Implemented | KPI | Baseline | Target | MoV | Frequency | Responsibility |
|---|---|---|---|---|---|---|---|---|
| | Strategic Direction 3: Institutional Capacity: Developed internal capacity adhering to corporate governance practices, enhanced management, MEL and improved technology to manage underserved and unserved regions ||||||||
| 9 | **Partnership and Collaboration** | 21. Set up the department and Recruit staff to manage the new department (Establish the office and employee ten additional staff based in the counties ) | No. of projects being managed | TBD | TBD | No of staff recruited and office set up | Yearly | Administration |
| | | 22. Develop partnerships, collaboration agreements and working relationships with government agencies and other implementing partners (through | No of partnership and collaboration implemented | TBD | TBD | No of partnership and collaboration agreement | Yearly | Administration |

| | Key Result Area | Project/Activity To Be Implemented | KPI | Baseline | Target | MoV | Frequency | Responsibility |
|---|---|---|---|---|---|---|---|---|
| | | workshops and visits to market USF and its products) | | | | | | |
| 10 | **Governance and Projects Management** | 23. For Logistical Support of vehicles and field requirements, acquire ten vehicles-each staff one vehicle | No. of sites visited within a specified time | TBD | TBD | No of vehicles purchased and deployed to the field | Yearly | Administration |
| | | 24. Engage qualified organizations to manage USF projects on a need by need basis | No. of sites visited within a specified time | TBD | TBD | No of organizations hired | Yearly | Technical |
| | | 25. Develop and implement an integrated stakeholder engagement and communication strategy (Develop a Communication strategy and implement the same) - conduct stakeholders workshops | % level of customer satisfaction | TBD | TBD | No of stakeholders engagement | Yearly | Administration |
| | | 26. Implement the use of emerging technologies for efficient and effective access gap identification | The level of accuracy of identified gaps | TBD | TBD | No of the emerging technologies adopted | Yearly | Technical |
| | | 27. Develop and implement a resource mobilization plan to encompass all sources of funds for USF (Develop RM plan, conduct visits to lobby and source of funding partners ) | % of USF outside licensed levies | TBD | TBD | Resource mobilization plan | Yearly | Administration |
| | | 28. Develop policies and guidelines on how all components of ICT are allocated USF funding (to include - Posta and Courier, Broadcasting and Voice and | % level of funds allocated to all the ICT components | TBD | TBD | Policies and Guidelines | Yearly | Finance |

| | Key Result Area | Project/Activity To Be Implemented | KPI | Baseline | Target | MoV | Frequency | Responsibility |
|---|---|---|---|---|---|---|---|---|
| | | Data, e-government, e-inclusivity) (Internal workshop to develop the guidelines - consultant to assist | | | | | | |
| | | 29. Review the Project design and procurement process to introduce efficiency in disbursement and project management (Internal workshop to develop the guidelines - consultant to assist | No. of effective projects rolled within a specified rollout period | TBD | TBD | Revised Project design and disbursement process | Yearly | Procurement |
| | | 30. Assess and establish indicators to be handled internally and externally (Internal workshop to develop/adopt the guidelines - consultant to assist) (Establish policies and guidelines on capturing external indicators) | No. of both external and internal indicators assessed | TBD | TBD | Policy and Guidelines | Quarterly | MEL |
| | | 31. Establish an engagement framework working with external evaluators | No of external evaluators working in Projects | TBD | TBD | External engagement framework | Quarterly | MEL |

## ANNEX 7: PESTEL Analysis

| Category | The issue to be considered | Expected implications |
|---|---|---|
| Political | ● The 2010 Kenyan constitution | ● Devolution of Services |
| | ● Election Year-2022 | ● Equality and equitable distribution of services<br>● All polling stations require broadband coverage. |
| | ● Digital Service tax | ● It affects the affordability of the Internet, putting more strain on affordability |
| | ● National Economic Growth Blueprints like the Big 4 agenda | ● USF is cited as a key enabler of these blueprints in the unserved and underserved areas |
| Economical | ● High cost of Voice and Data Services due to extra taxes introduced by the Government | ● It affects the affordability of Voice and data, putting more strain on affordability |
| | ● Increasing unemployment rate exacerbated by the Covid Pandemic | ● It affects the affordability of Voice and data, putting more strain on affordability<br>● Increases the need to provide data services as a means to help people access jobs and other entrepreneurship opportunities |
| Social | ● The Competence-Based Curriculum has Science and Technology subjects that require Access to the Internet | ● Access to the Internet is no longer a luxury but a necessity for all |
| | ● Different social groups in Kenya, including the elderly, Women, PWDs, the Youth | ● Need for inclusivity in all USF projects |
| | ● Covid Pandemic has catalyzed the adoption of technology as a way of life. The older generation has embraced the Internet more | ● The disparity in urban and rural ICT engagement and enabled programs |

| Category | The issue to be considered | Expected implications |
|---|---|---|
| | ● Increased interactions through social media | ● Communities' appreciation of the ICT application as a communication tool |
| | ● Work from home/Online studies has risen sharply, partly driven by the Covid Pandemic | ● Society/Communities appreciate ICT as an enabler and tool during the pandemic |
| | ● Increase of e-commerce | ● Enhanced business interactions using ICT with lower costs implications |
| | ● Community resistance | ● Need to enhance community engagement to create a deeper understanding of ICTs and benefits to the society |
| Technological | ● Emerging Technologies like 5G, IoT, AI | ● More cost-effective solutions to help address Sustainability, |
| | ● Network Changes in Kenya in the last five years | ● Communication and data has fast track commercial growth |
| Environmental | ● The Covid Pandemic | ● There is more appreciation of the internet and ICT use for safer communication and services. |
| | ● The interest taken by development partners in USF | ● There is a need to align to exploit the relationship with development partners to fast track closing the digital divide |
| | ● The security situation in some marginalized communities | ● Increase risk associated with the targeting of ICT infrastructure for destruction |
| Legal | ● New Licensing Framework for Community Networks | ● Support establishment of Community networks as a means to enhance deepening of internet use in unserved and underserved Areas |
| | ● Data Protection Act | ● Streamlining the governance, Management and privacy of data in the country |
| | ● Enactment of ICT as critical infrastructure under the Computer Misuse & Cybercrimes Acts | ● Need to the operationalization of the recently enacted law on declaration of ICT as critical infrastructure |

| Category | The issue to be considered | Expected implications |
|---|---|---|
| | • Regulatory reforms – review of regulations, i.e. Infrastructure sharing, national roaming | • There is a need to adopt infrastructure sharing and national roaming regulations and guidelines to facilitate sharing of both passive and active components of the ICT networks |

## ANNEX 8: SWOT Analysis

| Strengths | Weakness |
|---|---|
| ● CA strategic plan 2018-2023 recognizes the role of USF in filling ICT gaps (enhancing access) in the underserved and unserved areas<br>● Currently, the fund has up to KES 3 billion KES available for projects<br>● A USF department dedicated to USF activities | ● Internal Capacity to effectively and efficiently manage the activities of the fund required enhancing and equipping with technology and equipment<br>● Current data within CA may not be a true reflection of the position of ICT services status at the community level.<br>● The size and magnitude of USF Projects and expectations thereof requires a multi-sectoral approach which isn't the current practice.<br>● The said projects require more components both within and without CA to be monitored, which overstretches the MEL team and framework<br>● A sustainable framework for project selection and appraisal needs to be enhanced |
| Opportunities | Threats |
| ● A thriving digital ecosystem in the country and structured government support of the ecosystem<br>● The interest of the development partners in supporting the growth of a Digital ecosystem for the unserved and the underserved<br>● Existence of partners with the ability to contribute to the success of USF<br>● Existing Gaps for services and a great need to deepen usage | ● A small pool of contributors to the fund, with over 70% coming from one contributor<br>● The perception that the fund can finance any government ICT project<br>● Need to adjust provisions within Public Procurement and Finance Law and the fund management to address PPP, Public<br>● Investments and Subsidies related projects.<br>● Minimum public awareness about the existence of the fund and its projects<br>● Perception from contributors of the fund that there is no accountability and adequate engagement<br>● The perception that the fund has a weak governance structure hence lacks autonomy<br>● A fast-paced technology evolution thus making some investments ineffective<br>● Sustainability of USF Projects |