

**Key note Address by the Permanent Secretary Ministry of Information and
Communications, Dr. Bitange Ndemo CBS, during the ICT Access Gaps
Study Stakeholders Workshop held at the Ole Sereni Hotel on 23rd August
2011**

Mr. Francis Wangusi

Acting Director General, CCK,

Industry players and other stakeholders

Geoffrey Cannock,

Representative of Apoyo Consultaria & Project Team Leader,

Distinguished guests,

Ladies and gentlemen

I 'am delighted to join you this morning as we mark yet another milestone in the information and communication sector.

At the outset, I would like to commend the Communications Commission of Kenya (CCK) for their efforts and dedication in ensuring the completion of the ICT Access Gaps Study. This important activity goes to confirm why CCK is rated as one the best regulators in Africa.

Studies like this give policy makers and implementers the much required confidence in steering such an important and dynamic sector to greater heights of socio-economic development.

The sharing of a study's findings goes a long way to demonstrate the cordial relationship among stakeholders in the sector and the open door policy and

consultative spirit embraced by the regulator. It is this kind of a relationship that has enabled this sector to be one of the fastest growing industries the region.

Ladies and Gentlemen:

As envisaged in Vision 2030, the information and communication sector has a critical role to play in accelerating the transformation of our country into a rapidly industrializing middle income nation by the year 2030. Currently the sector contributes about 2.8 percent to the Gross Domestic Product (GDP) and this figure is expected to reach 10 percent by 2030. This growth will be driven by the rapid uptake and usage of ICT services in the country. As stakeholders we need to be proactive and ensure that we play our part in order to this growth target is met.

To achieve this target, the government has been at the forefront of implementing a number of interventions that address the cost of communication, access to electronic communications infrastructure and reduction of barriers to entry to promote competition in the sector.

A vibrant ICT sector will not only reduce transaction costs but also accelerate Kenya's aspirations and ambitions of becoming a regional ICT hub. Moreover, the development and growth of the sector shall transform our society into a knowledge-economy and by extension create other opportunities including employment and generation of new export revenues from high value-added products and services.

While this phenomenal growth of the ICT sector is envisioned to serve as an engine for economic growth in the 21st Century, it may also, if not properly managed, create a disparity between those with and those without access to the ICT infrastructure and services. The challenges that we face as policy makers is

how to bridge the digital divide considering other pressing social needs and ensuring the growth of the entire sector including internet and postal/courier services.

As a government we are alive to the basic pre-requisites that need to be addressed before we can actualize the dream of becoming a knowledge-based economy. These include leapfrogging from agricultural or production based economy to a knowledge-based economy through deployment of basic infrastructure, including electricity , for widespread of ICT services.

The country also needs to develop a pool of ICT skilled manpower right from primary school to institutions of higher learning. In addition,

we need to nurture a content development industry that can generate sufficient transaction-based and media based content including e-commerce, e-learning, e-government on the one hand and movie, videos and other documentary programs on the other.

As a nation we also require the necessary mindset and commitment of society to support and embrace ICT not only in economic sectors, such as manufacturing and the services but also in other pursuits such as leisure, learning, and healthcare just but to mention a few.

It is against this background that the government, through the Kenya Information and Communications Act, created the Universal Service Fund to addresses the challenges facing the sector. This fund will not only leverage operation in high cost areas but also support capacity building and innovations in the sector.

At this juncture, Ladies and Gentlemen, I wish to acknowledge the pro-activity of the Communications Commission of Kenya in ensuring that the sector has the necessary framework for administering the fund and meeting the objectives as stipulated in the Act even before the contributions from operators and services providers has been received.

The study, I am informed not only defines the gaps in the country but also provides an operating manual for the Fund as well as access gaps model for calculating subsidy levels in areas that require financial support and interventions. This ladies and gentlemen creates a sense of transparency and accountability in utilization of public funds and in addition boosting stakeholders' confidence in decisions made by the regulator.

In the last one year, we have all witnessed the stiff competition in the voice market to an extent of operators offering rates below the glide path provided by the regulator. This demonstrates direction the competition is shifting from voice to data services.

This study could not have been undertaken at a better time in light of the ongoing process of implementing the new constitution. The constitution provides for devolution of resources and universal access to ICTs shall without doubt demonstrate the government's commitment to providing services to all Kenyans irrespective of status and geographic location.

As you may be aware, the laying of National Optic Fibre Infrastructure (NOFBI) has been completed. The project was based on the old administration boundaries system which had not taken into consideration the devolution of resources to

county governments. To comply with the requirements of the new constitution, it is important to re-evaluate the routing of NOFBI to ensure that all regions are properly irrigated by this telecommunication life line. At the moment 16 counties headquarters do not have access to optic fibre infrastructure.

In addition, the study shall provide the building blocks for the development and implementation of the broadband strategy in the country. Broadband shall provide the much needed interface between the telecommunication and postal/courier industry. As the data infrastructure and services continue to grow, the postal and courier industry shall provide the last mile connectivity by undertaking home delivery of goods transacted through e-commerce, including medicine, foodstuff and other online shopping. I am therefore challenging the regulator and other stakeholders to commence on the development of home address system for the country. This will ensure that the postal and courier sub-sector remain relevant and part of the bigger information and communication family.

In addition, the regulator should develop an interconnection framework for postal and courier services in the country to avoid duplications of efforts and resources. This will not only reduce operational cost but also create an elaborate and efficient and effective postal and courier system that will in the long run attract even the Boda Boda riders whom we all know can effortlessly navigate through areas with narrow roads and deliver goods to our homesteads.

Ladies and Gentlemen, as the country prepares for digital migration from analogue to digital Television broadcasting by June 2012, the regulator should conduct a review of the Digital Dividend and allocate parts of the high demand radio frequency spectrum towards accelerating development of rural connectivity. I am sure the study has taken this matter into consideration and provided concrete

recommendations on how spectrum can be utilized to increase coverage especially in high cost areas.

As the Ministry in charge of the sector, may I assure you that we shall facilitate legal and institutional reforms to actualize universal access in the country. The nomination of members to the Universal Service Advisory Council (USAC) is at an advanced stage and the Ministry shall gazette the names in the **next two weeks**. At this point may I take this opportunity to urge all licensees to contribute to the Fund for the development of the sector. Just as a posho mill in the rural area contributes to the road fuel levy so should all licensees in this sector contribute to the Fund. We all stand to benefit from the backward and forward linkages that shall be created by the Fund.

Ladies and Gentlemen; with those few remarks it is my pleasure to declare the ICT Access Gaps workshop officially opened and wish all of us fruitful deliberations.

Thank you and God bless you all.