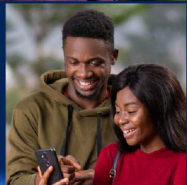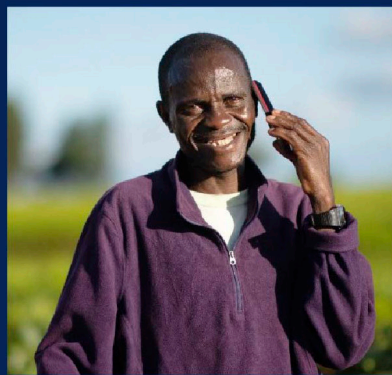# Universal Service Fund Strategy
2023 - 2027

VISION

DIGITAL ACCESS FOR ALL

MISSION

Enabling a Sustainable Digital Society through Responsive Regulation

CORE VALUES

1. Integrity
2. Innovation
3. Inclusion
4. Agility
5. Excellence

Foreword

> On behalf of the Board of Directors and Management of the Communications Authority of Kenya (CA), I am pleased to present the Universal Service Fund (USF) Strategy 2023 – 2027.

This Plan has been developed to guide the implementation of the activities of the Fund for the next five years. This is in recognition of the critical role that Information and Communications Technologies (ICTs) play as a key enabler of socio-economic growth and part of the foundation of our national transformation.

ICTs remain a critical driver of Vision 2030 goals and an engine that will move the Government agenda on agriculture, Micro, Small and Medium Enterprise (MSME) economy, housing and settlement, healthcare, and the digital and creative economy.

Towards attaining the USF vision of a digitally transformed and all-inclusive society, the Authority has prioritized universal access to ICTs by implementing various priority projects across the country, mainly targeting the unserved and underserved populations.

This Plan is aligned with the broad Government Digital Transformation Agenda (GoDTA), which includes the Digital Superhighway and the digitalization of public records. The identified projects are expected to support these dual goals greatly.

Over the last five years, of which we have been implementing the USF, we have witnessed first-hand the transformative impact of ICTs on communities and individuals in hitherto inconceivable ways. And that explains why we remain focused on doing even more by fostering a conducive environment for optimal ICT sector development through continued effective regulation, partnerships, and collaboration.

I would like to sincerely thank the Ministry of Information, Communications and the Digital Economy (MIC&DE), ICT service providers, strategic partners and all other stakeholders without whose support these achievements would not have been attained.

I also recognize the incredible support and commitment of the members of the Board, the Universal Service Advisory Council (USAC), and Management of the Authority towards achieving our mandate of ensuring universal access to ICTs across the country.

I look forward to a more vibrant, successful, and transformative future.

Mary Mungai, CBS
Chairperson of the Board

Preface

> The Universal Service Advisory Council (USAC) is proud to present the Universal Service Fund (USF) Strategy 2023 – 2027. During the development of the Strategy, the Council is happy to have offered strategic policy guidance particularly with respect to the selection of programmes, initiatives and projects under the plan as well as in the development of a coherent framework for future direction of the Fund.

The Council is glad to note that the USF Strategy 2023 – 2027 has taken into account the need to support widespread ICT access, capacity building and innovation in the ICT Sector as set out in Section 84 (2) of the Kenya Information and Communications Act, 1998. The Strategy also seeks to address the need to avail ICT services to all and in particular to persons living with disabilities & other disadvantaged persons as provided for in the National ICT Policy 2019 and the Constitution.

The Council notes that the development of the USF Strategy 2023-2027 took into account a broad spectrum of invaluable inputs, which include: recent ICT national coverage studies; various stakeholders' inputs, lessons learnt from the implementation of the previous plan, various national ICT development blueprints including the Government's Digital Transformation Agenda (GoDTA) and the Government's Bottom-up Economic Transformation Agenda (BETA).

This USF Strategy (2023-2027) focuses on three (3) Key Result Areas (KRAs), namely: the rollout of infrastructure and services to close the remaining coverage gaps across the country while ensuring service quality and sustainability: Development of digital skills and relevant local content to enhance ICT adoption and impact; and the enhancement of the requisite institutional capacity including the ability to undertake resource mobilization to ensure effective administration & management of the Fund as well as facilitate effective execution of the programmes, initiatives and projects envisaged under the Strategy.

The Infrastructure and Service component covers areas such as 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 goal also includes components for enhancing e-Government and e-Inclusiveness.

The Council wishes to recognize the technical support received during the development of the Strategy through the partnership established under the United Kingdom's Digital Access Programme (DAP). The Council also acknowledges the support received from the Ministry of Information, Communications and the Digital Economy as well as all the stakeholders for their invaluable input during the development of the Strategy.

Hon. James E.O. Ongwae, EGH, CBS, EBS

Chairman, Universal Service Advisory Council

Communications Authority of Kenya

Acknowledgement

> Over time, universal access to public goods and services has dominated discussions around socio-economic growth in Kenya. Within the ICT sector, the goal of widespread availability, affordability, and accessibility of ICT services to all citizens has become the hallmark of social transformation.

The Authority drives this agenda through regulatory interventions and incentives under the Universal Service Fund (USF). The establishment of the Fund in 2009, its operationalization and subsequent implementation of projects have set the country on the path of unprecedented digital transformation.

As of 2021, about 96.4 per cent of the population had been covered with telecommunications networks that facilitate the provision of voice and data services. Through the Fund, we have availed mobile connectivity to an additional 177 sub-locations, connected 886 public secondary schools to broadband and transformed 56 public libraries into e-resource centres through Internet connectivity and software for the visually impaired.

The Authority also continues to facilitate the digitization of critical public services across many sectors, including the Justice System, Education, Agriculture, Health, etc.

Riding on these endeavours and achievements, which are no mean feat, the 2023-2027 USF Strategy looks to broaden the role, scope, and impact of the Fund.

In an endeavour to ensure the application of evidence-based interventions in the mission of enabling a universally connected society through the development of ICT networks and services, in 2021, the Authority undertook various network coverage baseline studies in the Postal and Courier, Broadcasting, and Telecommunications subsectors besides extensive consultations with the ICT industry.

These studies and consultations formed the basis for the development of the 2023-2027 USF Strategy, which seeks to bridge the remaining ICT access gaps through deliberate and targeted interventions with the ultimate objective of maximizing the leverage potential of ICTs as enablers of socioeconomic development for all Kenyans. The Strategy is also mindful of the need for the application of a "whole of society approach" in the implementation of the identified interventions in the context of the overall country's strategic vision and mission.

The Authority is committed to playing its facilitative role in the delivery of the Government Digital Transformation Agenda (GoDTA), which includes the rollout of an additional 100,000 km of fibre network, installation of 25,000 public WiFi hotspots, the establishment of 1,450 digital village smart hubs and establishment of three (3) data centres, all of which seek to enhance access to ICT services to all in Kenya. To this end, the Authority will not only institute appropriate regulatory interventions that facilitate greater participation of the private sector but will also provide direct financial support in the rollout of 2,500 km of fibre networks in unserved and underserved areas with a view to enhancing access to essential services in line with USF mandate.

The 2023-2027 USF Strategy envisions the implementation of targeted interventions relating to general communications infrastructure development (telecommunication, postal/courier, and broadcasting), provision of connectivity in select sectors (e.g. healthcare, justice, agriculture, education, etc.), digital literacy and other capacity building initiatives, content development and other innovations among other, all through a multi-stakeholder approach.

Acknowledgement CONTINUED

The five-year plan also emphasizes the promotion of ICT access and use by other disadvantaged groups such as Persons With Disabilities (PwDs), Women, Youth, and other marginalized communities with a view to ensuring inclusivity and ensuring no one is left behind in the overall socio-economic development endeavours.

I wish to acknowledge the technical support received through the partnership with the United Kingdom's Digital Access Program (DAP), that helped the Authority in undertaking the 2021 ICT Access Gap study and in the subsequent development of this Strategy. Special thanks also go to the Ministry of Information, Communications and the Digital Economy, other government agencies, our esteemed licensees and other stakeholders for their support and input during the development of the strategy.

The achievements we have made so far and the challenging endeavours ahead of us under this Strategy were and will remain only possible through close collaboration and partnership with all the stakeholders and partners. It would, therefore, be imperative to continue pursuing a collaborative approach towards the realization of the collective vision of leveraging ICTs for socio-economic growth and the digital economy.

David Mugonyi, EBS

Director General

Communications Authority of Kenya

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DEFINITION OF CONCEPTS AND TERMINOLOGIES

CONCEPT OF USF	The underlying concept of Universal Service is to ensure that Information and Communication Technology (ICT) services are available and accessible to the widest number of people (and communities) at affordable prices.
UNIVERSAL ACCESS	A policy of the government to make Information, Communication and Technology (ICT) facilities and services publicly available and accessible whenever they are needed.
UNIVERSAL SERVICE	A policy of the government to promote and maintain access to and use of IInformation and Communication Technology (ICT) services by all households and public facilities at affordable prices at affordable prices. This policy also applies to advanced information services, for instance, the provision of Internet services and applications such as tele-education, telemedicine and electronic commerce.
DIGITAL DIVIDE	The gap between demographics and regions that have access to information and communications technology (ICT) and those that don't or have restricted access.

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Acronyms & Abbreviations

Abbreviation	Definition
5G	Fifth Generation Technology
AAP	Annual Action Plans
AI	Artificial Intelligence
CA	Communications Authority of Kenya
CAPEX	Capital Expenditure
CBC	Competency-Based Curriculum
DAP	Digital Access Program
DTT	Digital Terrestrial Television
FM	Frequency Modulation
ICT	Information and Communication Technology
ICTA	Information and Communication Technology Authority
IoT	Internet of Things
ITU	International Telecommunications Union
KALRO	Kenya Agricultural & Livestock Research Organization
KenHA	Kenya National Highways Authority
KENET	Kenya Education Network Trust
KETRACO	Kenya Electricity Transmission Company Ltd
KICR	Kenya Information and Communication Regulations
KPI	Key Performance Indicator
KPLC	Kenya Power and Lighting Company

Abbreviation	Definition
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 Backbone Infrastructure
OPEX	Operating Expense
OTT	Over The Top
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
SWOT	Strength, Weaknesses, Opportunity and Threat
TVET	Technical Vocational Education and Training
UN	United Nations
USAC	Universal Service Advisory Council
USF	Universal Service Fund

Executive Summary

The development of the 2023 -2027 USF Strategy was informed by significant changes in the internal and external environment and lessons learnt in implementing the previous 5-year Implementation Plan for 2017-2021. In the past five years, the Government of Kenya has established deliberate policies and actions, including leveraging Information and Communications Technology (ICT) as an enabler of the social-economic well-being of all Kenyans.

Within the regulatory space, the Communications Authority of Kenya (CA) has taken steps, in line with the Government's transformational agenda, to enhance access to and use of ICTs for sustainable development. For the last two decades, ICTs have become the primary mechanism for reaching people and facilitating effective and efficient delivery of services. In the last few years with the COVID-19 challenge, ICTs played a key role in minimizing the negative effects of the pandemic, enabling people across the globe to enjoy some form of normality.

The development of the Strategy took cognizance of the Authority's role in facilitating the country's aspirations as outlined under the Kenya Constitution, the Kenya Information and Communications Act, the Bottom-up Economic Transformation Agenda (BETA), the Kenya National Digital Masterplan 2022-2032, the ICT policy and other relevant laws, policies and regulations. The development of the Strategy was also informed by the ICT development status and the outcome of the 2021 ICT Access Gap Study.

The development of the Strategy entailed desktop studies, reviw of contributions from relevant stakeholders and users, and analysis of related reports from Digital Access Programme (DAP) partners and international industry organizations.

The Strategy has identified three strategic issues to be handled 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 Relevant Local 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 Strategy. The Strategic Isssues have been brocken down into three Strategic Goals and three Key Result Areas (KRAs).

The implementation of the Strategy is estimated to cost Ksh 40.037 Billion for the next five (5) years. With the limited internal resources to cover the cost of propose initiatives, the Authority has laid out an elaborate plan to mobilize resources from partnering agencies, licensees and other development partners to held bridge the digital divide and deliver the vision of Digital Access for All.

Successful Strategy implementation will require close collaboration and engagement with all the key stakeholders, particularly on sustainability and impact. In addition, there is a need to promote the adoption of new and innovative ways of project implementation and the building of institutional capacity to deliver the USF Mandate.

CHAPTER 1:
Introduction

Chapter 1: Introduction

This chapter discusses the background of the USF, its governance and management structures as well as the national, regional and international policies and focus. It also sets the context and approach used in the development of this Strategy

1.1. Strategy as an imperative for organizational Success

As the ICT industry regulator, the Communications Authority of Kenya (CA) recognizes the importance of a robust USF Strategy for its success. It understands the central role of a well-defined Strategy in achieving its objectives and realizing its vision. In the administration and management of the USF, the Authority developed this Strategy 2023 – 2027 that outlines the roadmap for the roll-out of ICT universal access and service initiatives. Since the operationalization of the USF, the Authority developed and implemented the 2017 – 2022 five-year Implementation Strategy.

This Strategy has taken into account the volatile, uncertain, complex, and ever-dynamic ICT environment in which the Authority operates. This ensures that the selected strategies have a high likelihood of sustained success and will bring about digital access for all in Kenya. The Authority's focus for the next five years is to lay a solid ICT infrastructure foundation in all ICT subsectors, (i.e. telecom, broadcast, postal and courier) to facilitate access to ICTs and effectively close the identified digital gaps. To facilitate meaningful connectivity, the Authority will support initiatives aimed at enhancing digital skills as well as the development of relevant local content.

Through the implementation of this Strategy, the Authority seeks to enhance universal access to ICTs in commercially unviable areas, bridging the digital divide and ensuring access to communication services by all in Kenya.

1.2. The Context of Strategy

The Strategy was developed in consideration of the following national development priorities, regional and international development frameworks: United Nations 2030 Agenda for Sustainable Development, African Union Agenda 2063, East Africa Community Vision 2050, Constitution of Kenya 2010, Kenya Vision 2030, Bottom-Up Economic Transformation Agenda and Fourth Medium Term Plan and Sector Policies and Laws.

1.2.1. United Nations 2030 Agenda for Sustainable Development

The mandate of the USF, its objectives and strategies have been aligned with the Sustainable Development Agenda 2030. The agenda underscores the critical role of ICTs in achieving all 17 Sustainable Development Goals (SDGs) and highlights ICTs as a key catalyst to accelerate development.

> "The Authority's focus for the next five years is to lay a solid ICT infrastructure foundation in all ICT subsectors, i.e., telecom, broadcast, postal, and courier."

This Strategy is mainly aligned with SDG 9, which seeks to build resilient infrastructure, promote sustainable industrialization, and foster innovation. Under this Strategy, the Authority will facilitate the deployment of modern ICTs, making them widely available, and support the adoption of the next generation of ICT infrastructure to foster innovation and spur domestic economic growth. These initiatives are aimed at facilitating the provision of high-quality health services, education, food and security, decent work, and reducing inequalities.

Other SDGs that relate directly to the USF include:

SDG 4: Quality Education - This goal aims to provide inclusive and equitable quality education to all. ICT plays a crucial role in enhancing education by facilitating e-learning, online resources, and digital skills training for both students and educators. Under this Strategy, the Authority will support initiatives geared towards the development of digital educational content as well as facilitating broadband connectivity to educational institutions.

SDG 17: Revitalizing the global partnership for sustainable development. The Strategy prioritizes the development of relevant partnerships to facilitate the closing of digital access gaps, the development of relevant local content and imparting digital skills to drive the Digital Transformation Agenda.

1.2.2.   African Union Agenda 2063

The Africa Union projects, by 2063, to have all necessary infrastructure in place to support Africa's accelerated integration and growth, technological transformation, trade and development. The AU Agenda 2063 has included high-speed railway networks, roads, shipping lines, sea and air transport, as well as well-developed ICT and the digital economy. The agenda desires to have a Pan-African High-Speed Train Network to connect all the major cities/capitals of the continent with adjacent highways and pipelines for gas, oil, and water, as well as ICT Broadband cables and other infrastructure. This is to be a catalyst for manufacturing, skills development, technology, research and development, integration and intra-African trade, investments, and tourism. Africa, being an information society continent on equal footing with the rest of the world, requires an integrated e-economy where every government, business and citizen have access to reliable and affordable ICT services. The focus is to have an increase in broadband penetration, and broadband connectivity and provide access to ICT to children in schools. This creates a need to increase venture capital for young ICT entrepreneurs and innovators and migration to digital TV broadcasting across the continent.

1.2.3.   East Africa Community Vision 2050

EAC Vision 2050 desires the Community to invest in ICTs to ensure that the region's economy transcends from a predominantly subsistence agriculture to a service and industry-led economy. Investments in research and innovative technologies should be promoted to increase the region's competitiveness. Building EAC's ICT capacities to encourage innovation and increase competitiveness has Vision 2050 set its targets of ICT internet penetration and mobile networks at 80% by 2030 and 95% by 2050.

Such projections, therefore, require the Community to develop and implement policy, legal and regulatory frameworks to substantially expand connectivity to ICTs in the region. Within the framework of Vision 2050, emphasis has been placed on collaborations that promote ICT policy enhancement and implementation, ICT mainstreaming, and the use of ICT for peer learning and knowledge sharing. As an example, peer learning from Kenya's financial sector, where communications technologies have spurred product innovation. This trend is penetrating deeper into the region and greatly reducing the cost of financial transactions and the percentage of unbanked citizens within the population.

1.2.4.   Constitution of Kenya 2010

Good governance is a function of successful interaction among key state institutions on the one hand and their interface with other stakeholders, such as the civil society and the private sector, on the other hand, to ensure social cohesion. Good democratic governance is the bedrock of growth, poverty eradication and sustainable human development. It entails moral, ethical and cultural uprightness; respect for the rule of law, human rights and rights to development; absence of widespread corruption; and determination and ownership of a society's development agenda.

Article 35 of the Constitution of Kenya 2010, clarifies that government and public institutions have the responsibility of providing citizens with the information they possess. This includes programmes funded by the exchequer and activities meant to benefit the common citizen. The citizens need to access information on programmes and projects, their implementation status, achievements, and the impact created on their livelihoods.

In addition, the Article 10 (2) a, b and c of the Constitution of Kenya states that public institutions must pay attention to national values and principles of governance, which include transparency, inclusion and accountability. Moreover, Chapter 35 of the Constitution of Kenya (1 a & b) and 3 on Access to Information stipulates that every citizen

has a right to information, and this is defined further in the Access to Information Act, 2016. The USF plan aspires to transform the operational processes of key sectors, e-Government services, access to data and information, and the perspective of citizens to ICT in the underserved and unserved communities.

1.2.5. Kenya Vision 2030, Bottom Up Economic Transformation Agenda and Fourth Medium Term Plan

The Kenya Vision 2030 is a long-term development blueprint aimed at transforming Kenya into a middle-income country by the year 2030. The Kenya Vision is currently being implemented by the Fourth Medium Term Plan (MTP IV) 2023-2028, themed, 'Acceleration of Social Economic Transformation to a More Competitive and Resilient Economy.' Its ICT goals encompass expanding broadband access, increasing digital literacy, fostering innovation and entrepreneurship in the ICT sector and leveraging ICT for better governance and public service delivery. On the other hand, the Bottom-Up Economic Transformation Agenda's ICT related goals focus on enhancing digital infrastructure, fostering innovation and entrepreneurship, building digital skills, digitizing government services and promoting digital inclusion.

The Government is commited to leverage ICT in transforming the country's economy under the Government Transformation Digital Agenda (GoTDA). As stipulated in the National Digital Masterplan 2022-2032, the Government targets to deploy 100,000 km of fibre, provide 25,000 free digital hotspots, digitalize 5,000 government services, and establish 1,450 digital hubs across all wards in Kenya. Among the pillars of the National Digital Master Plan are Digital Government Services, Products, Data management, and Digital skills development.

The Authority is well-positioned to achieve these goals by supporting the deployment of broadband, broadcast and postal infrastructure in unseverved and underseved areas; support to innovation, implementation of digital literacy programmes as well as facilitating the development of relevant local content to enhance the adoption of ICTs.

1.2.6 Sector Policies and Laws

The Authority is committed to adhering to all laws, policies and regulations in the administration and management of the USF. Some of the sector's policies and laws that shall guide the USF include the Kenya Information and Communications Act, 1998, the Public Finance Management Act, the National ICT Policy Guidelines 2020, Kenya National Digital Master plan 2022, Kenya Digital Economy Blueprint 2019 and the ICT Sector Plan.

1.2.6.1 Kenya Information and Communications Act, 1998

The Kenya Information and Communications Act (KICA, 1998) is the core legal framework that guides the Authority in the management and administration of the USF. The law mandates the Authority, through USF, to enhance universal access to ICTs in commercially unviable areas, bridging the digital divide and ensuring access to communication services for all in Kenya. The law provides a flexible legal framework that allows the Authority to adequately facilitate the identification and coverage of ICT access gaps.

1.2.6.2 Public Finance Management Act, 2012

The Authority will administer and manage the fund in line with the provisions of the Act and its attendant regulations. The Authority is committed to ensuring effective and efficient use of the funds in delivering the Vision of a digitally transformed and all-inclusive society, with a focus on unserved and underserved communities.

1.2.6.3 The National ICT Policy Guideline, 2020

The Guidelines provide a proactive framework for the orderly development of the ICT sector in Kenya, considering the rapid technological advancements. The policy encourages the adoption of innovative emerging technologies to address the connectivity challenges. In line with the aspirations of the policy guidelines, the Authority will facilitate the deployment of infrastructure as well as support the development of relevant local content and capacity-building initiatives to ensure meaningful use of the deployed resources. The Authority will make use of innovative technologies to ensure efficient and effective delivery of the USF commitments.

1.2.6.4 Kenya National Digital Master Plan 2022-2032

Under the Master Plan, the country intends to implement several initiatives aimed at improving access to and use of ICTs to improve the lives of all in Kenya. The initiatives include the deployment of 100,000km of high-speed fibre optic infrastructure, installation of

public WiFi hotspots, digitalizing of government records, automation of government services, and development of digital skills among others. In support of these efforts, the Authority will play a significant role in facilitating the deployment of optic fibre infrastructure, WiFI hotspots, connectivity of government institutions and digital skilling in unserved and underserved areas.

1.3.   History of the USF in Kenya

The Kenya Information and Communications Act of 1998 created the Universal Service Fund (USF), which is managed and administered by the Communications Authority of Kenya (CA). The objectives of the Fund are, among others, to promote communications infrastructure development and services rollout in unserved and underserved communities; to ensure the 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.

In order to operationalize the USF, efforts to achieve digital access and inclusivity were developed as part of the findings from the Kenya ICT Access Gap Studies. The Communications Authority of Kenya has since inception undertook two major Universal Service gap studies in 2016 and 2021. The 2021 ICT Gap Access Study indicated that over 96.3% of the population had access to broadband a services, leaving a gap of about 3.7% of the population. Between 2015 and 2021, USF financed the rollout of Voice and Data infrastructure in 76 sub-locations across 15 counties in the country. The successful implementation of the project facilitated access to over 500,000 people, recording a significant step in bridging the digital divide.

In addition, USF also funded broadband connectivity in over 800 schools over the same period, thus enabling these schools to access data at reasonably good speeds. The provision of digital access through voice and data services in the ICT gap areas of the country provides a huge opportunity for the USF to drive the Government's vision for economic transformation and digital literacy into the most remote rural areas and excluded populations, which will help to achieve the vision for all citizens.

1.4. Methodology of Developing the Strategy

Following the lapse of 2017-2022 USF five-year Implementation Plan and to ensure continuity while drawing lessons in the implementation of projects, the Authority in 2021 conducted a Voice and Data Service Gaps Study, a Broadcasting Baseline Report and a Postal and Courier Services Baseline Study to identify prority areas that would require intervention through the Fund. The findings from the three studies formed a solid basis for the development of the proposed strategies in this Strategy.

In addition, the COVID-19 pandemic disrupted life and brought new dimensions, with ICTs taking centre stage in the 'new normal.' Further, there has been a significant change in the Authority 's external and internal environment, cutting across the Political, Economic, Social, Technological, Environmental, and Legal (PESTLE) dimensions. These developments necessitated a review of the strategic direction of the organization in delivering its mandate.

The Authority adopted a participatory methodology in developing the Strategy, in line with Constitutional requirements. A series of engagements were held with consumers of ICT services, sector players, DAP partners, UN agencies, NGOs, Government Ministries, Departments and Agencies (MDAs), and CA staff through physical and virtual meetings. Other stakeholders were engaged through a self-administered questionnaire.

The implementation of USF programmes provides a massive opportunity for CA to drive the Government of Kenya's vision for the attainment of digital transformation even in the most remote, rural areas, excluded populations and other public institutions providing essential services.

Women

Youth

PWDs

USF MAIN PURPOSE: To support widespread access to ICT services, promote capacity building and innovation in ICT services in the country
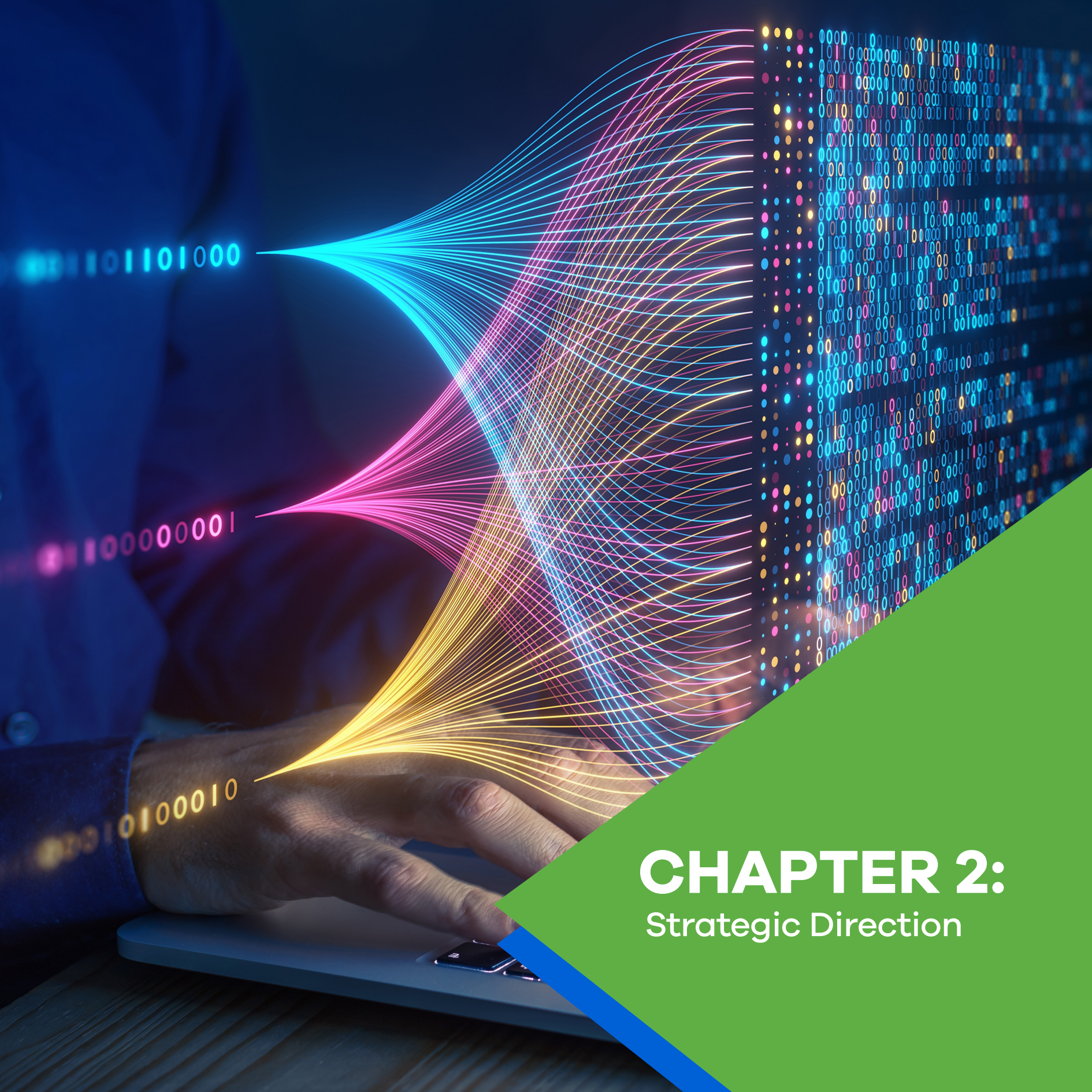
CHAPTER 2:
Strategic Direction

Chapter 2: Strategic Direction

The strategic direction outlines the mandate, vision and mission statements of USF. The chapter will further handle strategic goals, core values and quality policy statements of the Authority in the administration and management of the Fund.

2.1 Mandate

The purpose of the Fund is to support widespread access to ICT services, support capacity building and promote innovation in ICT services in the country.

The objectives of the fund, as outlined in the Universal Access and Service regulations, 2010, include:

- **Encourage efficient access to and use of communications systems and services throughout the Republic of Kenya,** focusing on rural, remote and under-served areas in order to promote social and economic development;

- **Ensure reasonable availability and affordability of basic and advanced communications systems and services** to persons with disabilities at the household and individual levels, particularly where the market is unable to deliver such services in a financially viable manner;

- **Support the development of information and communication technologies,** including related human capacity and technological innovation;

- **Provide support for the introduction and expansion of communication services** to schools, health facilities and other organizations serving public needs and,

- **Facilitate the development of and access to a wide range of local and relevant content.**

2.2 Vision Statement

Digital Access for All

2.3 Mission Statement

Enabling a Sustainable Digital Society Through Responsive Regulation

2.4 Strategic Goals

The Strategy consists of the following three (3) Strategic Goals that will guide the Fund's strategic direction for the next five years.

- Promote meaningful connectivity to ICT services in unserved and underserved areas.

- Promote access to digital skills, local content and digital services for the unserved, underserved and disadvantaged communities.

- Enhance internal capacity for effective deployment of USF programmes.

01

MEANINGFUL CONNECTIVITY

Promote meaningful connectivity to ICT services in unserved and underserved areas.

02

DIGITAL ACCESS FOR ALL

Promote access to digital skills, local content and digital services for the unserved, underserved and disadvantaged communities.

03

ORGANIZATIONAL EFFICIENCY

Enhance internal capacity for effective deployment of USF programmes.
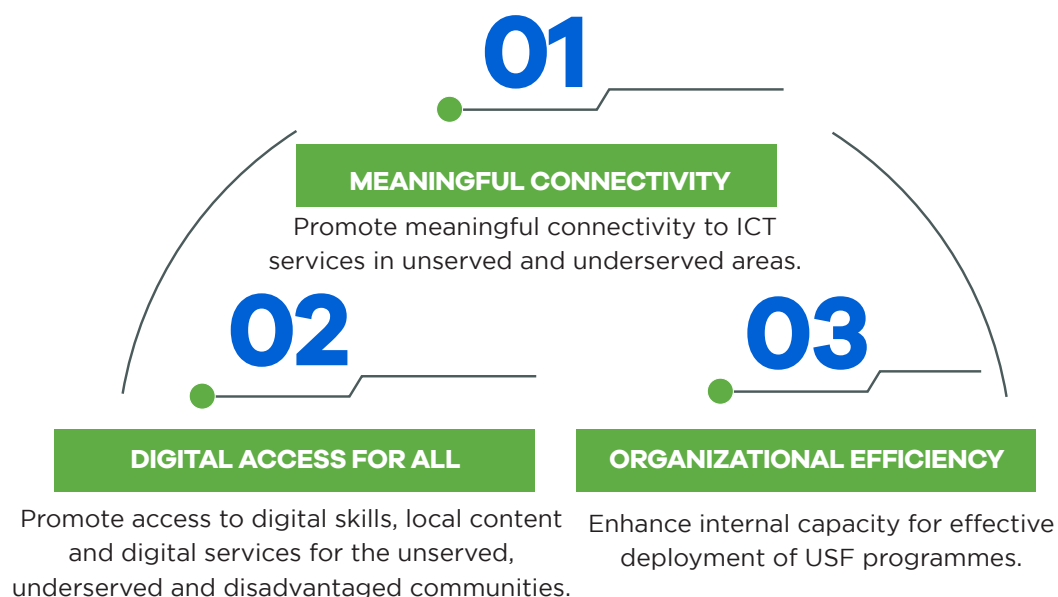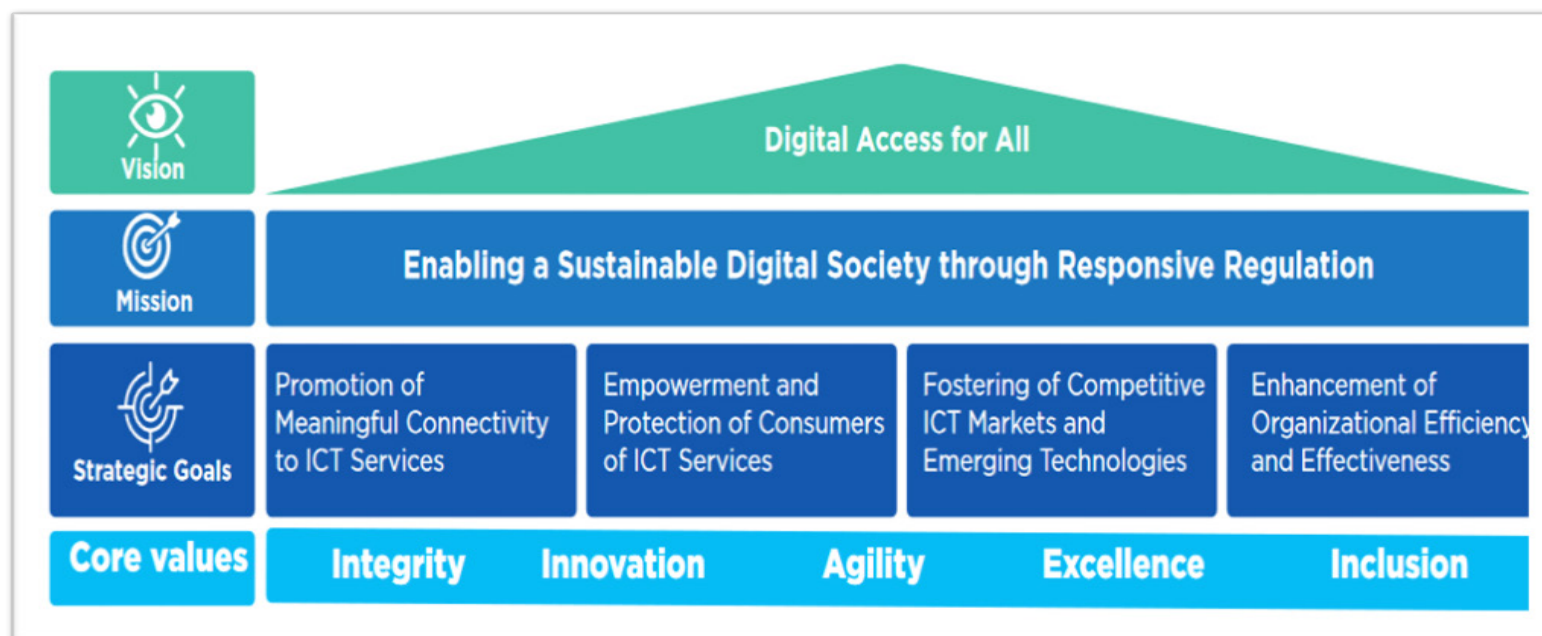
2.5   Core Values

The core values represent the guiding principles that characterize our culture, behaviours, and decision-making processes. They define our desired attitudes and standards that we uphold to achieve our Vision and Mission. The following shared core values shall guide the Fund.

Integrity: We adhere to the highest corporate, moral and ethical standards and act professionally, honestly, fairly and transparently.

Innovation: We embrace a culture of continuous improvement and creative thinking and seek innovative solutions to address industry challenges. Embracing innovation enables us to adapt to a dynamic environment, leverage new technologies and stay at the forefront of industry developments.

Excellence: We strive for the highest standards of professionalism, performance, and service delivery. We aim to consistently exceed expectations and deliver outstanding results in all endeavours.

Inclusion: We engender diversity, equality and respect for all. We recognize the importance of diverse perspectives, experiences and talents, and we foster an inclusive environment that encourages collaboration, fairness and equal opportunities for all.

Agility: We pride ourselves on making timely decisions, embrace flexibility and exemplify a culture of openness and responsiveness to change.

2.6 Quality Policy Statement

The Communications Authority of Kenya (CA) is committed to the highest standards of quality in facilitating access to and use of information and communication services by all in Kenya through progressive regulation. The implementation of the Quality Management System shall support the strategic direction. The Authority shall:

- Identify and continuously review internal and external factors which influence its purpose and objectives.

- Fulfil its mandate, meet customers' requirements and continually improve on its effectiveness through compliance with ISO 9001:2015 and legal requirements.

- Continually review and monitor interested parties' needs and expectations.

- Determine and address the risks and opportunities that can affect the delivery of its services and its ability to enhance customer satisfaction.
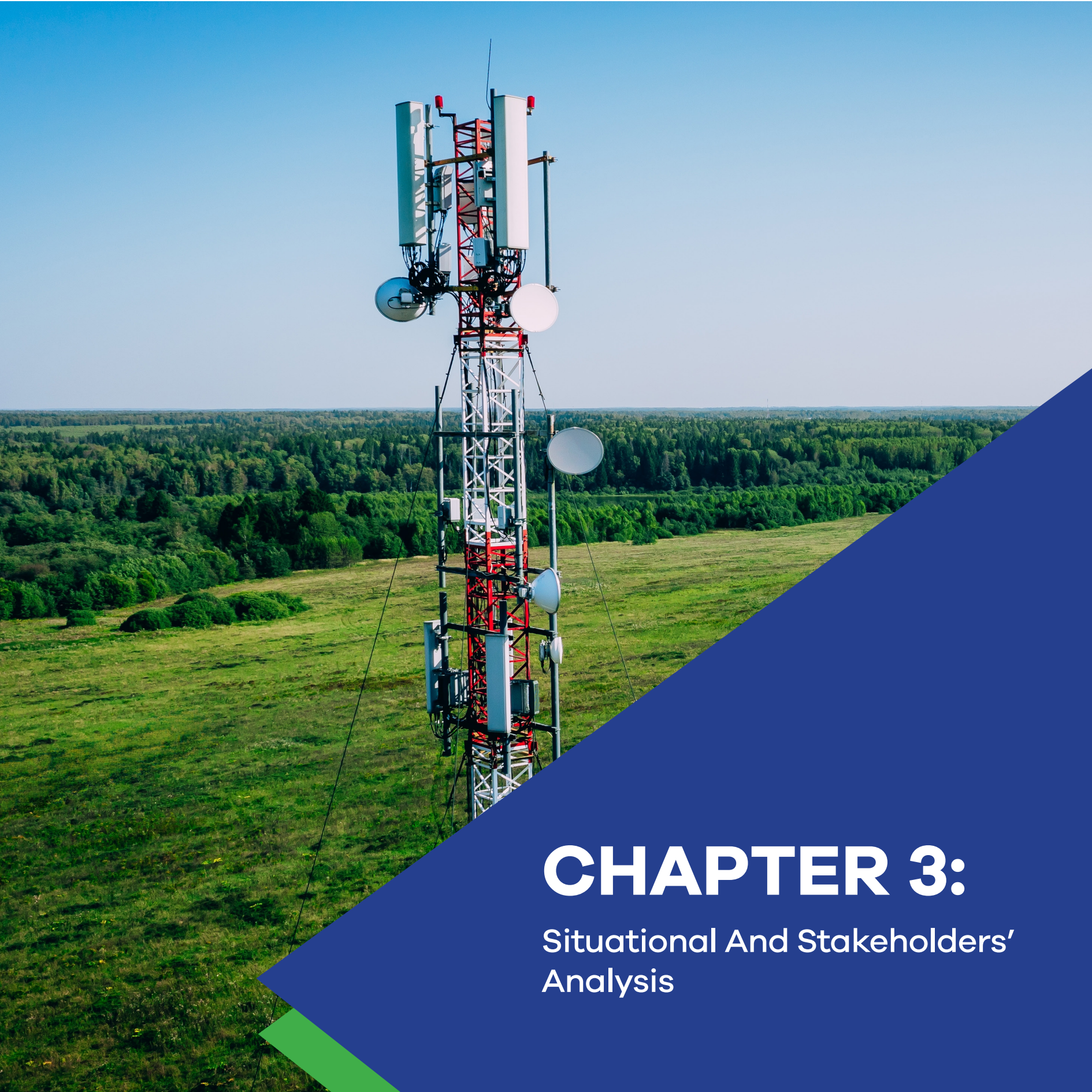
CHAPTER 3:

Situational And Stakeholders' Analysis

Chapter 3: Situational and Stakeholders' Analysis

This chapter explores the situational and stakeholders' analysis for the USF, providing a comprehensive understanding of the external and internal environment. The analysis covers the macro and micro-environment, examining societal, economic, technological, and industry-specific factors. It also evaluates the Fund's governance structures, internal processes, resources, and capabilities. The chapter further highlights past achievements, challenges and lessons learned, which informed strategic choices. Further, it covers the stakeholder's analysis identifying the key stakeholders and their expectations, enabling USF to effectively engage and manage relationships.

3.1 Situational Analysis

3.1.1 External Environment

The external environment has been discussed using the Political, Economic, Social, Technological, Environmental and Legal (PESTEL) framework. Further analysis has been undertaken to address macro, micro, industry and market environments under which the USF is being implemented.

3.1.1.1 Macro Environment

The macro environment has been discussed using the PESTEL analysis, as shown in the table below.

TABLE 1: PESTEL ANALYSIS

CATEGORY	THE ISSUE TO BE CONSIDERED	EXPECTED IMPLICATIONS
Political	• The Constitution of Kenya, 2010	• Devolution of services
	• Progressive Government ICT Agenda: National Economic Growth Blueprints like the BETA, Government Digital Transformation Agenda (GoDTA)	• USF is cited as a key enabler of these blueprints in the unserved and underserved areas and therefore requires to be aligned to the objectives of the BETA.
Economical	• Exchange rate fluctuations	• Impacts the cost of ICT goods and services
	• Increasing unemployment rate exacerbated by the aftermath of the COVID-19 pandemic	• It affects the affordability of voice and data, putting more strain on affordability. • Increases the need to provide data services 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, and the youth	• Need for inclusivity in all USF projects.

CATEGORY	THE ISSUE TO BE CONSIDERED	EXPECTED IMPLICATIONS
Social	• Increased adoption of ICTs post COVID-19 . The older generation has embraced the Internet more.	• The disparity in urban and rural ICT engagement and enabled programmes.
	• Increased interactions through social media	• Communities' appreciation of ICT applications as communication tools
	• Work-from-home/Online studies have risen sharply, partly driven by the aftermath of the COVID-19 pandemic.	• Society/communities appreciate ICT as an enabler and tool during the pandemic.
	• Increased e-commerce	• Enhanced business interactions using ICT with lower cost implications
	• Community resistance	• Need to enhance community engagement to create a deeper understanding of ICTs and their benefits to society.
Technological	• Emerging Technologies like 5G, IoT, AI	• More cost-effective solutions to help address sustainability,
	• Sustainable use of ICTs	• Build sustainability into all USF programmes and interventions by adopting new innovative technologies and enhancing partnerships and collaborations.
Environmental	• The COVID-19 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	• Increased risk associated with the targeting of ICT infrastructure by criminal elements
Legal	• New Licensing Framework for Community Networks	• Support the establishment of Community Networks as a means to enhance the deepening of internet use in unserved and underserved areas.
	• Data Protection Act	• Streamlining the governance, management and privacy of data in the country

CATEGORY	THE ISSUE TO BE CONSIDERED	EXPECTED IMPLICATIONS
Legal	• Categorization of ICT as critical infrastructure under the Computer Misuse & Cybercrimes Act, 2018	• Operationalization of the recently enacted law on the declaration of ICT as critical infrastructure.
	• 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 the sharing of both passive and active components of the ICT networks.

3.1.1.2 Micro-environment

The Authority analyzed the micro-environment under which it manages and administers the USF to determine how it affects its capacity to achieve the USF strategic goals. The table below presents a summary of the key variables that affect the delivery of the strategic goals and the proposed strategic responses to ensure the achievement of the desired results.

TABLE 2: MICROENVIRONMENT

NO	VARIABLE	IMPACT	STRATEGIC RESPONSE
1	Labour markets	• Availability of skilled manpower to deliver the objectives of the Fund • Compensation and benefits for competitive advantage • Labour regulations, diversity and inclusion, and potential labour disputes	• Ensure availability and retention of necessary skilled workforce. • Facilitate necessary training of staff to ensure effective and efficient delivery of fund interventions. • Ensure compliance with applicable labour laws and best practices and foster positive labour relations. • Maintain a favourable work environment for staff.
2	Consumer advocacy groups and industry associations	• Different priority areas for Fund investment • Delivery modes for USF interventions • Policy advocacy and industry development	• Enhance consultations, cooperation and partnerships • Regular communications and updates on fund activities • Implement agreements openly and transparently while ensuring compliance with all applicable laws
3	Customer and beneficiary profiles	• Dynamic nature of preferences, expectations, needs, trends and behaviours of customers and beneficiaries	• Understanding the diverse needs and priorities through access gap studies • Constant consultations with relevant stakeholders • Encourage partnerships and co-funding

NO	VARIABLE	IMPACT	STRATEGIC RESPONSE
4	Licensees and ICT service providers	• Main source of financial resources. • Implementation of USF projects	• Maintaining prudent financial management practices • Ensure compliance with contractual obligations. • Enhance consultations, cooperation and partnerships. • Regular communication and updates
5	Development Partners	• Source of funding and technical assistance • Influence policy development and industry development	• Maintaining prudent financial management practices • Enhance consultations, cooperation and partnerships. • Regular communication and updates
6	Government agencies and regulatory bodies	• Policy changes • Identification of priority areas in line with Government agenda • Overlapping jurisdictions that may risk duplication of effort	• Maintaining prudent financial management practices • Enhance consultations, cooperation and partnerships. • Regular communication and updates

3.1.2   Summary of Opportunities and Threats

Based on the external environment analysis, the following is a summary of the opportunities and threats in the administration and management of the Fund during this strategic period.

TABLE 3: SUMMARY OF OPPORTUNITIES AND THREATS

ENVIRONMENTAL FACTORS	OPPORTUNITIES	THREATS
Political	• Progressive Government agenda, i.e., the Government Digital Transformation Agenda (GoDTA) and Fourth Medium-Term Plan (2023-2027) of the Kenya Vision 2030, has prioritized ICTs as a catalyst for development.	• Duplication of effort by public and private players • Changes in government priorities during the Strategy period
	• Vision 2030, has prioritized ICTs as a catalyst for development. • USF has been identified as a key driver in the implementation of ICT interventions in underserved and unserved communities. • Youthful political leadership with digital skills and the will to support the deployment and adoption of ICTs.	• Potential negative influence on the administration of the fund. • Community resistance due to political persuasions.

ENVIRONMENTAL FACTORS	OPPORTUNITIES	THREATS
Economic	• Increased demand for ICT goods and services. • Increased Government investments in the sector, e.g. Digitalization of government services and deployment of digital infrastructure. • A vibrant digital economy. • Increased interest from development partners and external investors in the country.	• Change of government priorities due to pressure on the economy. • Rising foreign exchange and inflation rates. • Cyber security concerns.
Social	• Increased demand and uptake of ICTs by all • Community appreciation and acknowledgement of ICT as an enabler of social needs • The bulging youthful population • Dynamic nature preferences, expectations, needs, trends and behaviours of ICT customers • Increased adoption and use of social media and commerce platforms as a source of news, entertainment and facilitation of commerce	• The disparity in urban and rural ICT engagement and enabled programs, which slow done some of the government e-projects. • High unemployment rates • Cyber security and data privacy concerns
Technological	• Emerging Technologies like 5G, IoT, and AI can be used to tailor solutions for underserved and unserved communities. • Efficient new technologies to deliver ICTs to unserved and underserved areas	• Prohibitive costs to roll out emerging technologies infrastructure. • Cyber security and data privacy concerns • Consumer trust issues
Legal	• Responsive legal and regulatory framework.	• Slow adaptation of legal frameworks to fast-paced technological convergence and emerging ICTs • Slow implementation of programmes due to the tedious legal processes.
Ecological	• There is more appreciation of the Internet and ICT use for environmentally friendly and safer communication and services.	• Increased risk associated with the targeting of ICT infrastructure for destruction by vandals and terrorists. • E-waste pollution, disposal and Management. • Electromagnetic Field (EMF) exposures and health concerns from ICT infrastructure.

3.1.3   Internal Environment

The internal environment has emphasized internal variables such as the value chain activities, resource capabilities, skills, competences, structural designs, and culture. It has also addressed the assessment of the various functional areas to determine their contribution to the USF's overall performance.

3.1.3.1   Governance and Administrative Structure

The governance and administration of the Fund have been structured as follows:

Governance and Administrative Structure

The overall fund governance responsibility is vested in the Board of the Communications Authority of Kenya (CA), with advice from the Universal Service Advisory Council (USAC). The CA Board is composed of a chairperson and ten (10) other members. The CA Board delivers its mandate of providing strategic direction and oversight through three

Committees, i.e., Technical and Broadcasting Standards Committee, People and Culture Committee, Finance, Planning and Strategy and the Board Audit and Risk Assurance Committee.

The USAC was established pursuant to Section 102K of the KICA, 1998, with a mandate to advise the Authority and provide strategic policy guidance for the administration and implementation of the Universal Service Fund, as well as perform any other functions as the Board, may from time to time assign. The USAC consists of a chairperson and eight other members appointed by the Cabinet Secretary responsible for ICT.

The day-to-day running of the Fund is vested with the Management of CA headed by the Director General. Section 11 of the KICA provides that the Director-General shall be the Chief Executive Officer of the Authority and shall, subject to the directions of the Board, be responsible for the day-to-today management of the Authority. The Authority has established a Universal Service Fund (USF) department that manages USF projects with the support of the other departments within the Authority.

FIGURE 1: GOVERNANCE STRUCTURE
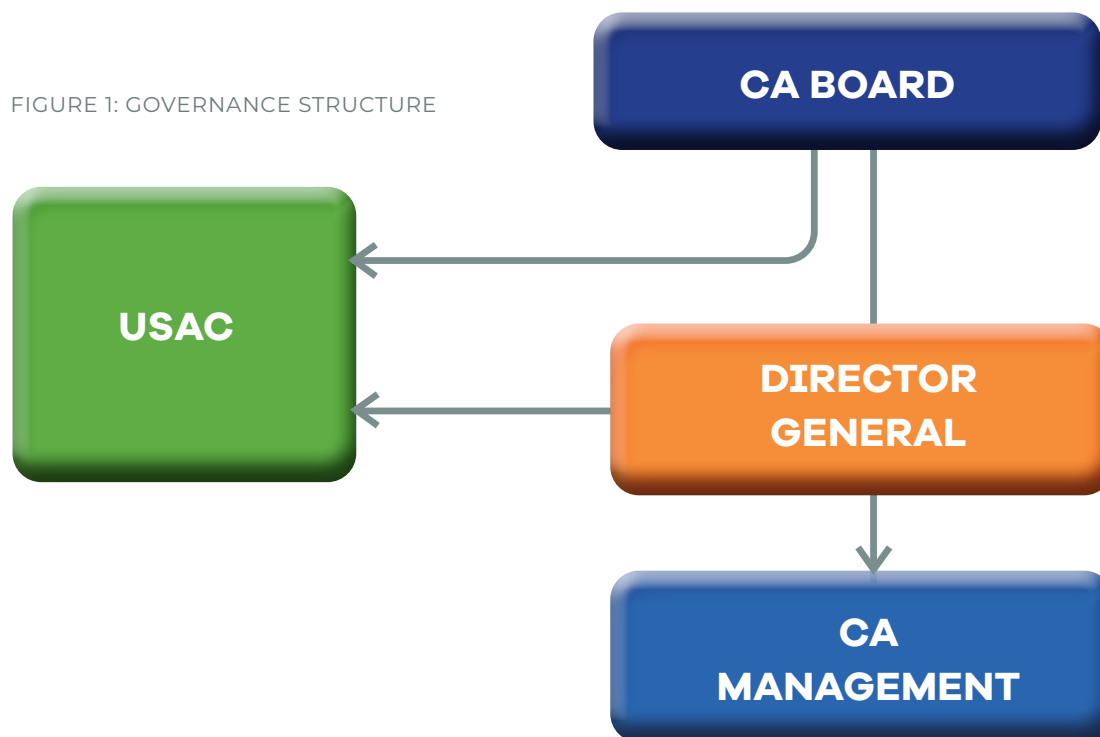
In essence, the USF draws expertise and manpower from all functional areas of the Authority. Conducting a functional analysis of the Authority's various operational areas helped identify strengths and areas for improvement, contributing to its effective regulation and facilitation of the ICT sector as follows:

TABLE 4: FUNCTIONAL AREAS

NO.	FUNCTIONAL AREA	DETAILS REQUIRED
a)	Technical operations and compliance	The technical operations and compliance function within the Authority focuses on ensuring adherence to technical standards, managing spectrum resources and overseeing infrastructure development. This function demonstrates strength through its technical expertise, monitoring capabilities and enforcement of regulatory requirements. Continuous investment in technical capacity, including training programs for staff and collaborations with industry experts, will further enhance the Authority's ability to effectively implement USF programmes, taking into account the unique ICT environment and effectively the technical aspects o the ICT sector.
b)	Regulatory and consumer affairs	The regulatory and consumer affairs function plays a vital role in developing and implementing regulatory frameworks, handling consumer complaints and promoting consumer protection. Strengths in this function include the formulation of fair and transparent regulations, efficient complaint resolution mechanisms and engagement with stakeholders to address their concerns. To enhance this function, the Authority will focus on proactive monitoring of emerging trends and technologies, engaging in regulatory benchmarking and strengthening consumer education and awareness initiatives.
c)	Corporate services and administration	The corporate services and administration function encompasses financial management, corporate governance, human resources procurement and general administration. The Authority demonstrates strength in financial management practices, transparent budgeting processes and efficient resource allocation. Additionally, the Authority exhibits expertise in corporate governance and effective administration, including human resource management and streamlined procurement procedures. Enhancements will be made through optimized financial planning and reporting, exploring innovative funding models, adopting digital solutions for administrative processes and fostering a culture of continuous improvement.

3.1.3.2 Internal Business Processes

The USF internal processes are spelt out in the USF Operations Manual and are also guided by the provisions of the ISO 9001:2015 Standard. The Fund enforces the USF ISO procedures to enhance the quality of service provision and customer satisfaction. The adopted USF ISO 9001: 2015 procedures cover the following areas:

• Development, implementation and monitoring of USF Strategy: This process creates value by ensuring that the USF is aligned with the Government agenda and Medium Terms Plans, prioritizes the unserved and underserved populations with a focus on the vulnerable in society, identifies impactful interventions that will help close the digital divide as well as identify the resources necessary to drive the USF mandate.

• Identification, conceptualization and implementation of Universal Service projects: The process creates value by prioritizing interventions in the face of limited resources and the implementation of projects with maximum impact while ensuring sustainability and efficient utilization of resources.

• Project monitoring and evaluation of USF projects: This creates value by ensuring that USF projects are implemented within the time, quality and cost constraints. The process also contributes to the building of knowledge around the implementation of access gap initiatives to improve future interventions.

• USF levy billing: The process creates value by ensuring the growth of the fund to support the Strategy activities.

• Fund mobilization: The process creates value by contributing the necessary financial, technical and social capital to drive the USF

agenda. The process focuses on building relevant partnerships to collaborate in closing the digital divide.

Further, the Authority has elaborated additional processes and systems that create value for the Fund, including:

• **Implementation of ICT Laws, Regulations and Standards:** This creates a favourable ICT environment, promoting fair competition, consumer protection and innovation in the sector. Effective regulation of the sector facilitates access to quality and affordable ICT goods and services.

• **Procurement and Finance Management:** The Authority's strategic and transparent management of the procurement and finance management processes creates value by ensuring efficient utilization of fund resources to effectively deliver the mandate.

• **Brand awareness:** The Authority's branding and communications activities create value by raising public awareness about the mandate of the Fund as well as its strategic role in closing the digital divide. The Authority's brand is essential in attracting partnerships as well as enhancing cooperation with and acceptability of projects by stakeholders.

• **Access Gap Studies:** Create value by providing the necessary information and data to make informed decisions, and improves regulatory interventions. Efficient procurement processes also lower costs by ensuring cost-effective acquisition of resources, minimizing wasteful spending and optimizing budget allocation.

• **Service:** The Authority's commitment to quality assurance, dispute resolution, and consumer education creates value by

enhancing the confidence of all stakeholders in the delivery of universal services.

- **Human resources management:** The Authority's effective recruitment and development of staff create value by enhancing the organization's capabilities to develop and implement effective project management policies and enhance the success of universal service initiatives.

UNIVERSAL SERVICE VALUE CHAIN

The Authority has analysed the entire USF value chain to get a deeper understanding on how the internal environment impacts implementation and proper management of projects. Each value chain element faces unique challenges that impact project objectives and thus require appropriate interventions to increase usage and impact. The USF value chain shown below 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 requirements cut across all the elements.

FIGURE 3: USF VALUE CHAIN

FUND MOBILIZATION	Licensed operators . Government . Grants
PROJECT IDENTIFICATION	Data from operators . Demand study . Access Gaps study . Subsidy modelling
PROJECT MANAGEMENT	Project design . Securing implementers . Evaluation and award
PROJECT EXECUTION	Infrastructure deployment by operators . Supervision by CA . Operation and maintenance by operators
USAGE	Registration . Device purchase . Airtime and data

MONITORING & EVALUATION PROJECT IMPLEMENTATION QUALITY IMPACT

LEGAL AND REGULATION KICA USF FRAMEWORK USF MANUAL

3.1.3.3 Resources and Capacities

Based on the Resource Based and Capabilities (RBC) analysis, the following are the strategic advantages and areas of improvement for the USF:

Tangible resources: The Authority possesses tangible resources such as offices and facilities, cash assets, dedicated staff, and a dedicated budget. However, more investment is needed in systems and equipment and new tools based on emerging technologies to enhance the Authority's capacity to roll out USF projects within the planned time and increase the fund absorption rate.

Intangible resources: The Authority has put in place a responsive USF governance framework anchored in the law, an enabling regulatory framework for the sector, extensive knowledge of the ICT ecosystem and a strong brand. These resources have put the Authority in a strong position to deliver the promise of the fund. To enhance the performance of the FTund, the Authority would need to invest in building the technical capacity of its staff on new and emerging technologies and best practices to respond to the fund's challenges. Further, there is a need to enhance communication, collaborations and partnerships with all stakeholders, including development partners, in the delivery of USF Interventions.

- **Organizational capabilities:** The Authority has, over time, demonstrated effective decision-making processes, collaborative networks, and an innovative culture. The Authority has also established a dedicated USF Department that handles the day-to-day running of the USF projects. These organizational capabilities enhance USF's ability to make prompt and informed universal service interventions, collaborate with stakeholders, and adopt new technologies and approaches to addressing the access gaps. In this regard, nurturing a culture of innovation, encouraging cross-functional collaboration, and developing leadership capabilities would further enhance USF's performance and agility in responding to industry dynamics and technological advancements. There will be a need to further develop specialized skills in emerging technologies and regulatory practices to keep pace with industry advancements. Strengthening collaborations and exploring new partnerships will also expand the USF's influence, enhance its capabilities and foster innovation and growth in the communications sector.

The Authority has analysed the state of its resources and capabilities against the Valuable, Rare, Inimitable, Durable and Un-substitutable (VRIDU) criteria and arrived at the following:

Valuable: The Authority's industry expertise, regulatory framework, and effective decision-making processes create value by ensuring the availability of qualified service providers, efficient management of resources as well as effective delivery of fund initiatives. However, continuous improvements in access gap identification, stakeholder management and partnership development will enhance the Authority's ability to deliver value in a timely manner.

Rare/Scarce: The Authority's mandate of sector oversight and specialized industry knowledge is rare in the market, providing a competitive advantage.

Inimitable: The Authority's experience in the implementation of universal service programmes coupled with insight and partnerships in the delivery of universal service initiatives both locally and internationally are innately unique, contributing to its strategic advantage.

Durable: The tangible and intangible resources available to USF, as well as the organizational capabilities of the Authority, have proven to be durable over time, enabling sustained performance.

Un-substitutable: The Authority, as the only ICT regulatory agency with a mandate to manage scarce resources such as frequency and numbering resources as well as the management and administration of the Fund, strengthens its position not only in the ICT ecosystem but also in the entire government operating structure.

3.1.4   Summary of Strengths and Weakness

Based on the analysis of the internal environment, the table below summarises emergent strengths and weaknesses.

TABLE 5: SUMMARY OF OPPORTUNITIES AND WEAKNESSES

FACTOR	STRENGTH	WEAKNESS
Governance and Administrative Structure	• There is a clear governance and management structure to govern the fund, i.e. The Authority's Board governs the fund, with advice from the Universal Service Advisory Council (USAC). The day-to-day running of the fund is vested with the Management of CA headed by the Director General and there is a dedicated department handling USF activity. • Facilitative policy and legal frameworks • Effective financial, procurement and human resources processes	• The appointment of USAC members has not staggered their period in office

FACTOR	STRENGTH	WEAKNESS
Internal Business Process	• Geared towards enhancing efficiency and effectiveness in the delivery of services • Well-defined operating manual as well as Principles and Guidelines that direct all internal processes for the Fund. • Clarity on the internal business process for infrastructure projects	• Given the nature of the fund, there is complexity in delivering some projects within the constraints of the Public Procurement and Disposal Act (PPDA).
Resources and Capacities	• Sufficient financial resources • Supportive stakeholders • Competent and professional team • Significant influence in key ICT policy-making organizations • A strong Brand reputation and industry expertise supported by its well-established regulator	• Over-dependence on one major source of funding (Licensees) • Gaps in the design and implementation of complex projects • Skills gaps in emerging ICTs and related areas • Sustainability of Fund initiatives

3.1.5   Analysis of the Past Performance

Prior to the development of this Plan, an evaluation of the previous Strategy 2017-2021 was undertaken to establish progress made and lessons learnt during the implementation. The assessment informed the baseline for the development of this Strategy

3.1.5.1   Key Achievements

The Universal Service Fund adopted its first Strategic Implementation Plan for the period 2017 – 2023 that was anchored on five (5) Key Result Areas: Basic Infrastructure Programme, broadband connectivity, Postal and Courier projects, Broadcasting projects and Special Projects. The key achievements are discussed in the section on the next page, with the assessment providing key insights on the development of the 2023-2027 Strategy.

KRA 1: BASIC INFRASTRUCTURE PROGRAMME: The objective of this KRA was to facilitate the deployment of basic mobile infrastructure

to the whole country, including all sub-locations with population coverage gaps of more than 50%. During the period under review, the Authority facilitated the deployment of cellular mobile infrastructure and service in 126 sub-locations with 3/4G network coverage. This translated to an increase in 3G/4G geographical coverage from 17% in 2016 to 56.5% and population coverage from 78% to 96.3%. These initiatives have resulted in the bridging of a 2 % coverage gap in the access to cellular mobile services.

KRA 2: BROADBAND EDUCATION PROJECT: The objective of this KRA was to facilitate access to digital content and other government services by public schools. During the period, the Authority facilitated the deployment of broadband connectivity to select 886 public secondary schools across the country. It is worthwhile to note that the other KRAs relating to Postal and Courier projects, Broadcasting projects and Special Projects were not fully implemented owing to various challenges, as discussed in the subsequent sections of this plan.

3.1.5.2   Challenges

The Fund experienced the following challenges during the implementation period of 2017-2023:

a. Community resistance experienced in some areas resulted in delayed implementation of the planned projects, leading to non-achievement of the intended objectives and low absorption of funds.

b. Vandalism and damage to ICT infrastructure in some regions of Kenya impacted the effective rollout of ICT infrastructure.

c. Challenging terrain made it difficult to access some regions, slowing down the rollout of projects.

d. Project sustainability owing to limited support from partner institutions.

e. Delays in the appointment of the CA Board and Universal Service Advisory Council (USAC) members result in delayed decision-making.

f. The COVID-19 pandemic which slowed down stakeholder consultations and collaborations.

g. Changes in the legal framework relating to public funds management and public procurement lengthened the project approval process.

3.1.5.3   Lessons Learnt

During the implementation of the USF Strategic Implementation Plan 2017-2023, the following valuable lessons were identified:

a. The importance of stakeholder mapping and an accompanying stakeholder management plan

b. Prioritization of Community engagement to understand the complementary needs of the people to enhance project acceptability.

c. The criticality of having in place the requisite project governance frameworks prior to project initiation

d. The need to undertake project pre-feasibility and feasibility studies to inform the viability of projects.

e. Establishment of the mechanisms to sustain the project prior to project implementation.

f. Importance of partnership and collaborations with both public and private agencies that provide complementary project support such as energy, roads, security, water, environment, and other requisite project approvals, etc.
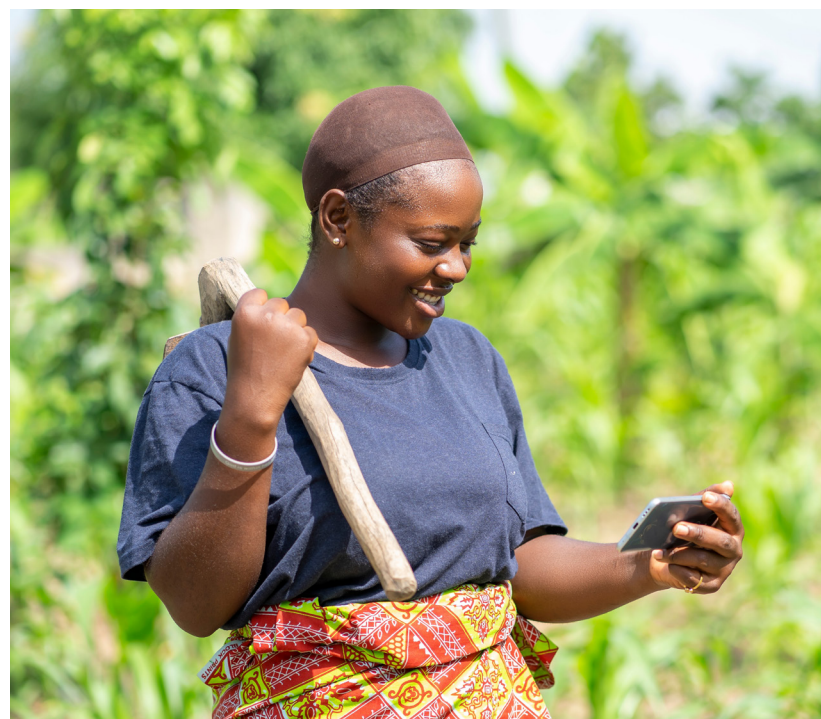
3.2   Stakeholders Analysis

The key stakeholders are individuals, groups, and organizations that have an interest in or may be impacted by the implementation of the USF projects. They must be considered, given their participation and support towards realizing successful projects. The key stakeholders, areas of engagement and their impact have been analyzed in Table 3.3.

TABLE 6: STAKEHOLDER ANALYSIS

NO	STAKEHOLDER	ROLE	EXPECTATIONS OF STAKEHOLDER	EXPECTATIONS OF THE CA/USF
1	Project Beneficiaries	• Adoption and Utilization of ICTs	• Available, accessible, and affordable ICT products and services. • Public participation in project designs	• Deepen usage of the ICT products and services
2	Licensees	• Contributions to the Fund	• Prudent Fund management	• Fund contributions • Quality project deployment • Project sustainability
3	Development Partners	• Technical assistance and project financing	• Fair access to ICT project deployment opportunities	• Technical and financial assistance to the Fund
4	Government		• Implementation of viable projects that promote Digital Transformation Agenda.	• Facilitate necessary project approvals • Provision of complementary services like roads, energy, security, etc. • Governance support.
5	Civil Society Organizations/	• Public participation • Capacity building and training • Awareness creation	• Projects that promote inclusivity and equity	• Public participation • Awareness creation • Capacity building and training.
6	MoIC & DE, The National Treasury and Parliament	• Provide Policy Guidelines	• Prudent implementation of the projects	• Facilitate requisite approvals • Provide an enabling environment to implement projects
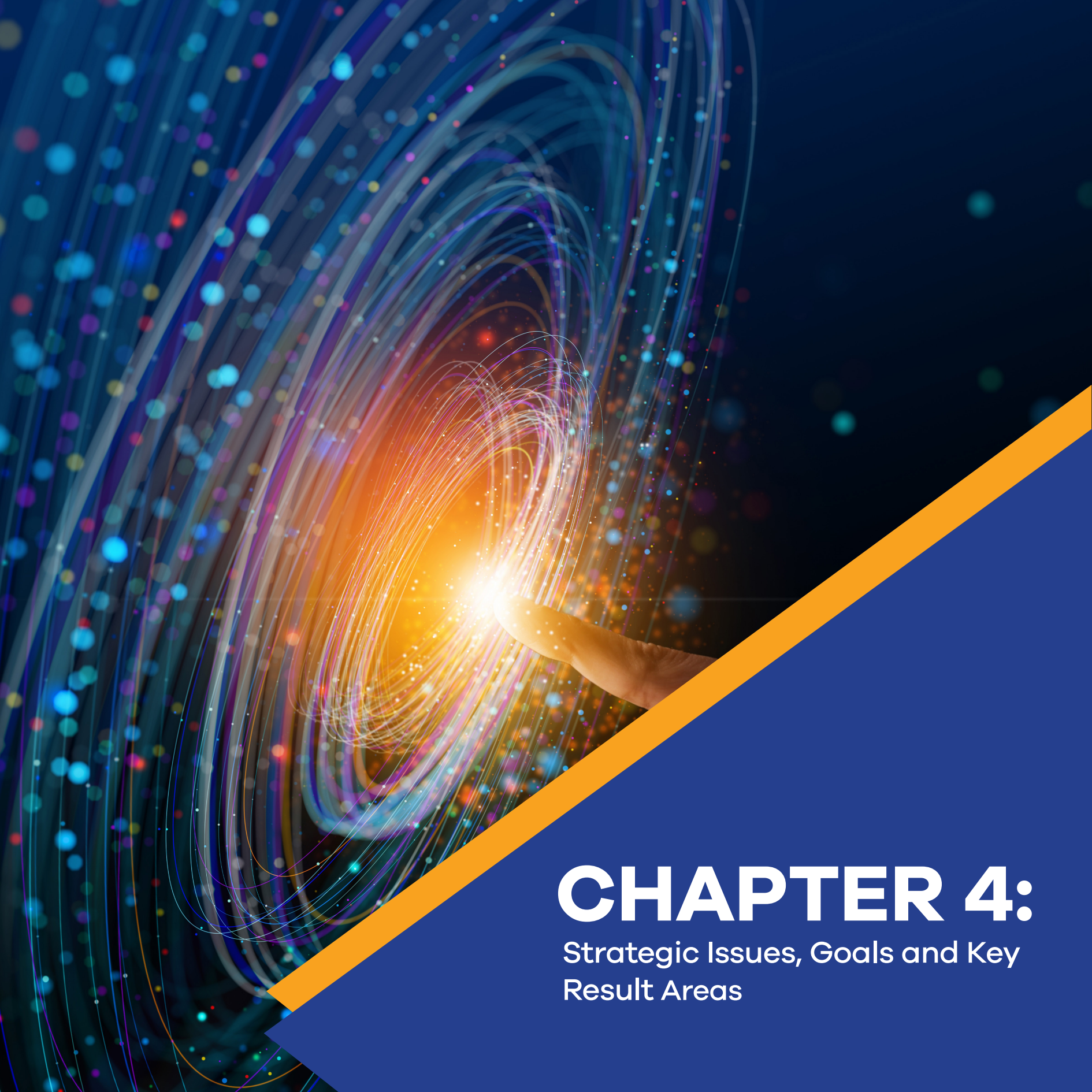
CHAPTER 4:

Strategic Issues, Goals and Key Result Areas

Chapter 4: Strategic Issues, Goals and Key Result Areas

This chapter provides a detailed representation of the strategic issues, goals and key results that will drive the USF agenda in the next five years. The identification of the areas of focus is a culmination of the extensive situational analysis of identified successes, challenges and lessons learnt.

4.1 Strategic Issues

This Strategy has established three strategic issues, which have been discussed below. Each of the three strategic issues embraces e-inclusiveness as a component in delivering their results. E-inclusiveness will ensure ICT accessibility, affordability, and availability for all people, including women, girls, youth, marginalized, vulnerable populations, people from lower socio-economic groups, indigenous peoples, older persons, and persons with disabilities.

The strategic issues have been further broken down into strategic goals, strategies, and high-level activities and projects to be implemented during the Strategy period. The Strategy spells out the time frames, responsibilities, and resource requirements based on annual budgets to deliver on each activity.

4.1.1 Infrastructure and Service

ICT infrastructure comprises the hardware and systems that support the rollout of ICT services. The strategic issue covers basic ICT support infrastructure, devices, and services (Voice and Data, Broadcasting, Postal, and Courier) while ensuring inclusivity. Additionally, the Strategic Issue will cover the deployment of ICTs in public institutions that offer essential public services with a focus on unserved and underserved communities.

Notably, this strategic issue directly contributes to USF's objective of encouraging efficient access to and use of communications systems and services throughout the Republic of Kenya, focusing on rural, remote and under-served areas to promote social and economic development and the objective that seeks to expand communication services to schools, health facilities and other organizations serving public needs.

The digitally marginalized areas suffer from the lack of physical infrastructure, accessibility, and usage of ICT services. Therefore, this strategic direction will utilize the funds to provide coverage solutions.
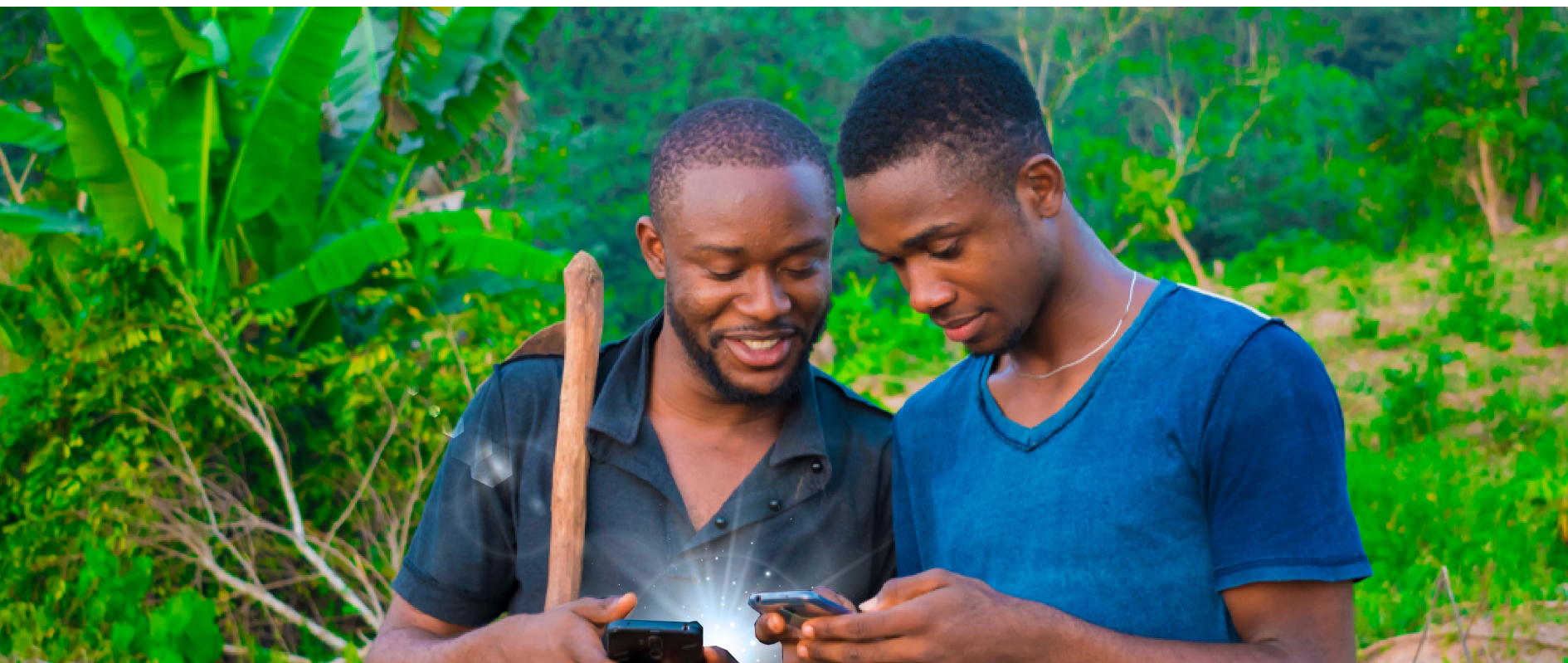
The Authority will seek collaborations and partnerships to offer holistic solutions for the unserved communities.

4.1.2 Digital Skills and Relevant Local Content

This entails building users' knowledge capacity and developing content and applications for the users to appreciate and generate value through ICT services and products. The strategic issue will facilitate the implementation of programmes on digital skilling and development of digital content in the areas of e-educational, e-health and e-agricultural and e-commerce. The programmes will prioritize the participation of targeting different demographic categories such as women, youth, PwDs, tech-savvy youth, and men.

4.1.3 Institutional Capacity

Under this strategic issue, the Authority will implement programmes that will enhance the Authority's internal capacity as the Fund Administrator, for the efficient and effective deployment of the USF programmes and projects.

The Authority will prioritize the development of expertise in the areas of complex project management, Monitoring Evaluation and Learning (MEL), resource mobilization, partnerships development, geospatial information systems, and innovative ICT infrastructure technologies alongside other digital development specialized capacity building undertakings.

The strategic issue will also endeavour to improve on resourcing, specialized project equipment, logistical support and project governance to enhance overall project implementation and delivery of USF objectives.

4.2 Strategic Goals

The mapped-out strategic goals arising from the identified Strategic Issues are as follows:

4.2.1 Promote meaningful connectivity to ICTs in the unserved and underserved areas

This will entail the rollout of accessible, affordable, and available ICT services in the unserved and underserved areas. The USF projects will cover various components of services ranging from ICT infrastructure (Voice and Data, Broadcasting, Postal, and Courier) to access to affordable end-user devices. The Fund will also support initiatives that will enable digitalization of Government services to enhance access among unserved and underserved communities.

4.2.2 Promote access to knowledge, digital skills, local content and digital services among the unserved, underserved and disadvantaged groups

This will entail building users' knowledge and capacity and developing content and applications for the users to appreciate and generate value through ICT services and products. The projects will seek to enhance access to digital services among unserved, underserved and disadvantaged communities.

4.2.3   Enhance the internal capacity of USF function

Improving the institutional capacity to manage USF and increased project rollout will entail the development of internal capacity adhering to corporate governance practices, enhanced management, MEL, and improved technology to manage underserved and unserved regions.

4.3   Key Result Areas

Specific KRAs have been linked to the attainment of strategic goals. The details are listed here below:

TABLE 7: STRATEGIC ISSUES, GOALS AND KRAS

KRA	STRATEGIC OBJECTIVES	STRATEGIC CHOICES
KRA 1: Develop ICT infrastructure and services in unserved and under-served areas	• **SO1:** To increase broadband coverage and usage in underserved and unserved communities	• **S1:** Broadband infrastructure development
		• **S2:** Support national Digital Transformation Agenda
	• **SO2:** Increase digital terrestrial television (DTT) and radio population coverage and usage within the underserved and unserved communities	• **S1:** Broadcasting infrastructure development
	• **SO3:** Expansion of postal/ courier services in underserved and unserved communities	• **S1:** Integrated digital postal hubs development
KRA 2: Skill and relevant local content for women, the youths, the elderly and persons with disabilities (PwDs)	• **SO4:** Digital empowerment for women, youths, elderly and PwDs.	• **S1:** Local content development
		• **S2:** Digital skilling
		• **S3:** Access to assistive technologies
KRA 3: Fund performance	• **SO5:** Improved institutional performance	• **S1:** Performance management
		• **S2:** Improvement of internal policies processes, digitalization, and tools
		• **S3:** Fund absorption
		• **S4:** Strategic partnerships, linkages and collaboration

FIGURE 4: CONCEPTUAL MODEL OF THE USF STRATEGY 2023-2027

VISION: Digital Access for All

MISSION: Enabling a Sustainable Digital Society Through Responsive Regulation

INFRASTRUCTURE AND SERVICES

DIGITAL SKILLS AND RELEVANT LOCAL CONTENT

INSTITUTIONAL CAPACITY
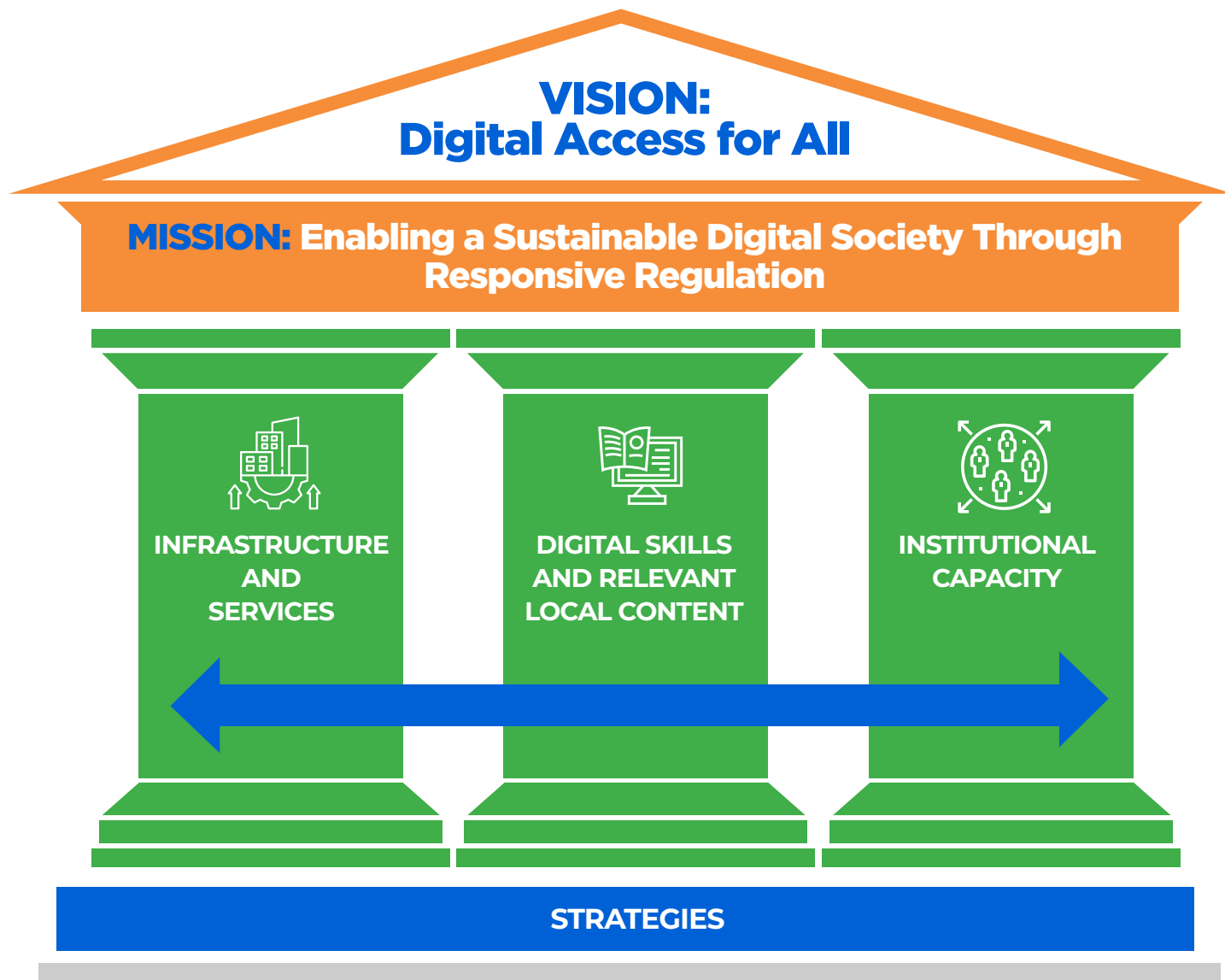
STRATEGIES

CHAPTER 5:

Strategic Objectives and Strategies

Chapter 5: Strategic Objectives and Strategies

This chapter highlights the Fund's strategic objectives, as derived from the key results areas. Further, this section covers the key strategies that shall drive the strategic direction of the Fund for the strategic period.

5.1 Strategic Objectives

This Strategy has established objectives that have been discussed below. Each of the KRAs has been captured with their respective objectives and outcomes. The projection has been informed by the assessment of the Fund's internal and external environment.

5.1.1 Strategic Objective 1: Increase broadband coverage and usage in unserved and underserved communities

The Authority aims to extend broadband Internet services to underserved areas and increase their adoption among the general population. This objective seeks to bridge the digital divide and enable more people to access high-speed Internet, fostering greater connectivity, communication, and participation in the digital economy.

The scope and estimated costs of the proposed cellular mobile infrastructure and services projects have been extracted from the Access Gap study 2021 taking into account the inflation rate and the increased costs of deployment. This objective also covers infrastructure projects that contribute to the attainment of the Government Digital Transformation Agenda (GoDTA) such as the Digital Superhighway Project and support to the Health, Justice, Education and Agricultural sectors.

The specific programmes/projects and the associated estimated costs are as tabulated below:

TABLE 8: STRATEGIC OBJECTIVE 1 PROGRAMMES/PROJECTS

NO.	PROGRAMS/PROJECTS	CURRENT STATUS	ESTIMATED COST
1	Phase 2 of the Cellular Mobile Network Infrastructure in Unserved and Underserved Areas (101 sub-locations)	Ongoing	1,400,000,000
2	Phase 3 of the Cellular Mobile Network Infrastructure in Unserved and Underserved Areas	Ongoing	1,800,000,000
3	Phase 4 of the Cellular Mobile Network Infrastructure in Unserved and Underserved Areas	Planned	4,000,000,000
4	Phase 5 of the Cellular Mobile Network Infrastructure in Unserved and Underserved Areas	Planned	3,000,000,000
5	Capex & Opex Subsidy for Cellular Mobile Network Infrastructure in Unserved and Underserved Areas (True/absolute access gap areas)	Planned	2,000,000,000
SUB-TOTAL: CELLULAR MOBILE INFRASTRUCTURE AND SERVICES			**12,200,000,000**

NO.	PROGRAMS/PROJECTS	CURRENT STATUS	ESTIMATED COST
6	Fibre Infrastructure and Services Project Phase I (Under the Digital Superhighway Project)	Ongoing	5,000,000,000
7	Fibre Infrastructure and Services Project Phase 2 (Under the Digital Superhighway Project)	Ongoing	5,000,000,000
8	Establishment of Centres of Excellence and Digital Hubs	Ongoing	2,800,000,000
9	Digitalization of Health Services	Proposed	1,600,000,000
10	Digitalization of Justice Sector (Judiciary)	Ongoing	250,000,000
11	Digitalization of Education institutions (e.g., KNLS, KIB and KICD)	Ongoing	1, 600,000,000
12	Establishment of Community Networks in 5 years - Planned	Planned	600,000,000
SUB-TOTAL			**16,850,000,000**
TOTAL FOR STRATEGIC OBJECTIVE 1			**29,050,000,000**

5.1.2 Strategic Objective 2: Increase digital terrestrial television and radio population coverage and usage in unserved and underserved communities

This objective focuses on extending the reach of digital terrestrial television services to a larger proportion of the population. By promoting the adoption of digital television, the Authority aims to improve access to quality television broadcast services as well as offer a wider range of relevant local content for viewers in unserved and underserved areas.

The scope and estimated costs of the proposed broadcast infrastructure project have been extracted from the Baseline Survey for Broadcasting Services in Kenya, 2022. The specific programmes/projects and the associated estimated costs under this objective are as tabulated below:

TABLE 9: STRATEGIC OBJECTIVE 2 PROGRAMMES/PROJECTS

NO.	PROGRAMS/PROJECTS	CURRENT STATUS	ESTIMATED COST
1	Provide subsidies to construct Greenfield Integrated sites	Planned	755,000,000
2	Provide subsidies to construct standalone DTT sites	Planned	500,000,000
3	Provide subsidies to construct standalone FM radio sites	Planned	130,000,000
4	Provide subsidies for multi-tenant broadcast studios for both DTT and FM Radio	Planned	1,100,000,000
5	Provide subsidies for transmitter upgrades	Planned	380,000,000
BROADCAST SECTOR PROJECTS - TOTAL			**2,865,000,000**

5.1.3 Strategic Objective 3:

Expansion of Integrated Digital Access Centres

The aim is to expand and improve postal and courier services to support the growth of e-commerce for the development of rural and marginalized communities. The focus is boosting the usage of the existing postal and courier network for the growth of e-commerce by providing an integrated, inclusive and innovative e-commerce ecosystem.

Under the Strategy, the Authority will support the establishment of Citizen Service Centres (CSC), which will serve a Consolidation Centres for Postal and Courier Services, as recommended by the Baseline Survey on Postal and Courier 2022, and innovation hubs to facilitate digital skilling, production of relevant local content and access to online Government services.

The specific programmes/projects and the associated estimated costs under this objective are as tabulated below

TABLE 10: STRATEGIC OBJECTIVE 3 PROGRAMMES/PROJECTS

NO.	PROGRAMS/PROJECTS	CURRENT STATUS	ESTIMATED COST (ksh)
1	Enhancement of the capacity of the Public Postal Operator to provide services in unserved and underserved areas including Consolidation Centres	Planned	3,100,000,000
	SUB-TOTAL (CITIZEN SERVICE CENTRES)		**3,100,000,000**

5.1.4 Strategic Objective 4:

Digital empowerment for women, youths, elderly, and persons with disabilities (PwDs) and other vulnerable groups

This objective seeks to bridge the digital divide and promote inclusivity by empowering women, youths, elderly individuals, and persons with disabilities in the digital space by providing digital skills training and relevant ICT resources. The specific programmes/projects and the associated estimated costs under this objective are as tabulated below:

TABLE 11: STRATEGIC OBJECTIVE 4 PROGRAMMES/PROJECTS

NO.	PROGRAMS/PROJECTS	CURRENT STATUS	ESTIMATED COST (ksh)
1	Facilitate development of relevant local content and applications: Target sectors include agriculture, health and education.	Planned	1,289,000,000
2	Facilitate the implementation of coding curriculum for learners	Planned	2,000,000,000
3	Support the rollout of digital literacy programmes, especially for the youth, women, elderly and persons living with disabilities in unserved and underserved areas.	Planned	500,000,000

NO.	PROGRAMS/PROJECTS	CURRENT STATUS	ESTIMATED COST (ksh)
4	Support the development and use of local applications of technological innovations for agriculture, education, commerce, health art/entertainment to serve the youth, women and other vulnerable groups	Planned	500,000,000
5	Facilitate access to ICT infrastructure and devices (for persons with physical, visual, hearing and cognitive disabilities) for PWDs	Planned	280,000,000
SUB TOTAL			4,569,000,000

5.1.5 Strategic Objective 5: Improve institutional performance

This objective focuses on enhancing the efficiency, effectiveness and accountability in the administration and management of the Fund. In optimizing internal processes, fostering a culture of excellence, and promoting professional development, the Authority aims to enhance the overall performance of the USF programme and projects.

The objective will cover capacity enhancement through reinforced USF governance framework, revised USF regulations, resource mobilization, equipment, logistical support, human resource, building partnership, collaboration and monitoring & evaluation functions. The specific programmes/projects and the associated estimated costs under this objective are as tabulated below:

TABLE 12: STRATEGIC OBJECTIVE 5 PROGRAMMES/PROJECTS

NO.	PROGRAMS/PROJECTS	CURRENT STATUS	ESTIMATED COST (ksh)
1	Develop and implement training programmes tailored to enhancing skills development for staff to deliver the Strategy	Planned	80,000,000
2	Develop and implement an integrated stakeholder engagement and communication strategy for the Fund	Planned & some ongoing	80,000,000
3	Develop and implement a resource mobilization plan to encompass all sources of funds for USF	Planned	26,000,000
4	Design, supply and implementation of tools and systems to manage the fund, including vehicles	Planned	172,000,000
5	Implement the use of emerging technologies for efficient and effective access gap identification	Planned	60,000,000
6	Review the project design and procurement process to introduce efficiency in disbursement and project management	Planned	35,000,000
SUB-TOTAL			453,000,000

The various Strategic Objectives of the 2023-2027 USF Strategy are as summarized in the Table below:

TABLE 13: SUMMARY OF THE STRATEGIC OBJECTIVES

NO.	STRATEGIC OBJECTIVES	EST. COST (KES)
1	**Strategic Objective 1:** Increase broadband coverage and usage in unserved and underserved communities	29,050,000,000
2	**Strategic Objective 2:** Increase digital terrestrial television and radio population coverage and usage in unserved and underserved communities	865,000,000
3	**Strategic Objective 3:** Expansion of postal/courier services in unserved and underserved communities	3,100,000,000
4	**Strategic Objective 4:** Digital empowerment for women, youths, elderly, and persons with disabilities (PwDs) and other vulnerable groups	4,569,000,000
5	**Strategic Objective 5:** Improve institutional performance	453,000,000
	TOTAL	**40,037,000,000**

TABLE 14: OUTCOME ANNUAL PROJECTIONS

KRA 1. ICT INFRASTRUCTURE AND SERVICES IN UNSERVED AND UNDER-SERVED COMMUNITIES.							
STRATEGIC OBJECTIVE	OUTCOME	OUTCOME INDICATOR	PROJECTION				
			YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
SO1: Increase broadband coverage and usage in underserved and unserved communities	**Outcome 1:** Increased broadband penetration and usage in unserved and underserved communities	**Indicator 1:** % increase in mobile broadband penetration	97.5%	98%	98.5%	99%	100%
SO2: Increase Digital Terrestrial Television (DTT) and radio population Coverage and Usage within underserved and unserved communities	**Outcome 2:** Increased DTT population coverage	**Indicator 2:** % increase in population with access to DTT services	93%	93.2%	93.5%	94%	95%
SO3: Expansion of Postal/ Courier Services in unserved and underserved communities	**Outcome 3:** Increased access to Postal/ Courier Services	**Indicator 3:** No. of km- Reduce the distance to the nearest postal and courier outlet	Baseline = 30kms	28 km	26 km	24 km	22 km

KRA 2. KNOWLEDGE, SKILLS AND RELEVANT LOCAL CONTENT FOR WOMEN, YOUTHS, ELDERLY AND PERSONS WITH DISABILITIES (PWDS)

STRATEGIC OBJECTIVE	OUTCOME	OUTCOME INDICATOR	PROJECTION				
			YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
SO4: Digital empowerment for women, youths, elderly and PwDs	**Indicator 4** : Increased digital literacy skills.	**Outcome Ind 4:** Number of people trained in digital literacy skills	n/a	200	200	200	200

KRA 3: FUND PERFORMANCE

STRATEGIC OBJECTIVE	OUTCOME	OUTCOME INDICATOR	PROJECTION				
			YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
SO5: Improved institutional performance	**Outcome 5 :** Improved funds absorption rate and performance	**Outcome Ind 5 :**Increased funds absorption rate and performance	Very Good	Very Good	Very Good	Excellent	Excellent

5.2 Strategic Choices

The strategic choices will be used to pursue the achievement of the strategic objectives. The choices have been developed from feasible alternatives from specified courses of action.

TABLE 15: STRATEGIC OBJECTIVES AND STRATEGIC CHOICES

KRA	STRATEGIC OBJECTIVES	STRATEGIC CHOICES
KRA 1: ICT infrastructure and services in unserved and under-served communities	• **SO1:** To increase broadband coverage and usage in underserved and unserved communities	• **S1:** Broadband infrastructure development
		• **S2:** Support national digital transformation agenda
	• **SO2:** Increase digital terrestrial television (DTT) and radio population coverage and usage within the underserved and unserved communities	• **S1:** Broadcasting infrastructure development
	• **SO3:** Expansion of postal/ courier services in underserved and unserved communities	• **S1:** Integrated digital postal hubs development

KRA 2: Skill and relevant local content for women, the youths, the elderly and persons with disabilities (PwDs)	• **SO4:** Digital empowerment for women, youths, elderly and PwDs.	• **S1:** Local content development
		• **S2:** Digital skilling
		• **S3:** Access to assistive technologies
KRA 3: Fund performance	• **SO5:** Improved institutional performance	• **S1:** Performance management
		• **S2:** Improvement of internal policies processes, digitalization, and tools
		• **S3:** Fund absorption
		• **S4:** Strategic partnerships, linkages and collaboration

CHAPTER 6:

Implementation And
Coordination Framework

CHAPTER 6: Implementation and Coordination Framework

The chapter addresses the Authority's capacity to manage the implementation plan and identifies probable risks and resources required to finance the Strategy. With advice from USAC, the CA Board is responsible and accountable for the management and administration of the Fund.

6.1   Implementation of the Plan

The implementation plan has described how the Strategy will be operationalized. It has captured the action plan, budget, performance contracting and staff levels development approach. The details of each of the selected sub-topics have been narrated in the subsequent topics below.

6.1.1   Action Plan

The Action Plan has been addressed using strategic issues, goals, KRAs, Outcomes, Objectives, Strategies, Key Activities, Expected Outputs, Output Indicators, Annual Targets, Annual Budgets and Responsibilities for the activities. The plan has been presented in Table 6.1.

6.1.2   Annual Work Plan and Budget

This Strategy has adopted activity-based costing in the development of the annual budget. (Appended is the costed Annual Work Plan for the first year of the implementation of the Strategy).

TABLE 16 : ACTION PLAN IMPLEMENTATION MATRIX

STRATEGY	KEY ACTIVITY	EXPECTED OUTPUT	OUTPUT INDICATOR	THE TARGET FOR FIVE (5)YEARS	TARGET					BUDGET (KSHS. M)						SUPPORT
					YR 1	YR 2	YR 3	YR 4	YR 5	YR 1	YR 2	YR 3	YR 4	YR 5		
STRATEGIC ISSUE 1: INFRASTRUCTURE AND SERVICES																
STRATEGIC GOAL 1: PROMOTE MEANINGFUL CONNECTIVITY TO ICTS IN THE UNSERVED AND UNDERSERVED AREAS																
KRA 1. ICT INFRASTRUCTURE AND SERVICES IN UNSERVED AND UNDER-SERVED COMMUNITIES																
OUTCOME 1: INCREASED BROADBAND PENETRATION AND USAGE IN THE UNSERVED AND UNDERSERVED COMMUNITIES																
STRATEGIC OBJECTIVE 1: TO INCREASE BROADBAND COVERAGE AND USAGE IN THE UNDERSERVED AND UNSERVED COMMUNITIES																
S1: Broadband Infrastructure Development	Facilitate the rollout of Cellular Mobile Infrastructure and Services in unserved and underserved communities	Deployment of base transceiver stations providing voice and broadband in remaining unserved and underserved areas	% of geographic network coverage	99% of the population is covered.	97.0	97.5	98.0	98.5	99.0	600	2,500	3,100	3,000	3,000	USF	PTS MIRC FSM CSM
S2: Support National Digital Transformation Agenda	Facilitate the rollout of high-capacity national fibre optic infrastructure to provide broadband connectivity in unserved and underserved.	**Phase I:** High-capacity fibre optic infrastructure – ICTA	No. of KMs rolled out.	2,500 km	2,500	-		--		1000	4,000				USF	PTS MIRC CSM
		Phase II: High-capacity fibre optic infrastructure – ICTA/Kenya Power	No. of MCDA's connected	3,800 km	3,800	-		--							USF	PTS MIRC CSM
	Facilitate digitalization of essential public services (e-Health, e-Justice, eLearning and e-Agriculture).	Digitalized public institutions.	No. of institutions	450	50	100	100	100	100	500	600	500			USF	PTS MIRC CSM
	Support Establishment of Centres of Exellence (CoE) and Digital Hubs	Facilitate the Establishment of Centres of Exellence and Digital Hubs	No. of centres established	19	-	10	9	-	-	-	1,000	1,80-0	-	-	USF	ICT MIRC CS, CE. CC
	Facilitate the establishment and operation of Community Networks	Community Networks	No. of Community Networks	40	-	10	10	10	10	35	-	200	200	165	USF	PTS MIRC FSM CSM

STRATEGIC ISSUE 1: INFRASTRUCTURE AND SERVICES

STRATEGIC GOAL 1: PROMOTE MEANINGFUL CONNECTIVITY TO ICTS IN THE UNSERVED AND UNDERSERVED AREAS

KRA 1: ICT INFRASTRUCTURE AND SERVICES IN UNSERVED AND UNDER-SERVED COMMUNITIES

OUTCOME 2: INCREASED DTT POPULATION COVERAGE

STRATEGIC OBJECTIVE 2: INCREASE DIGITAL TERRESTRIAL TELEVISION (DTT) AND RADIO POPULATION COVERAGE AND USAGE WITHIN THE UNDERSERVED AND UNSERVED COMMUNITIES

STRATEGY	KEY ACTIVITY	EXPECTED OUTPUT	OUTPUT INDICATOR	THE TARGET FOR FIVE (5)YEARS	TARGET YR 1	YR 2	YR 3	YR 4	YR 5	BUDGET (KSHS. M) YR 1	YR 2	YR 3	YR 4	YR 5	LEAD	SUPPORT
S1: Broadcasting Iinfrastructure and Service Development	Facilitate rollout of Greenfield, DTT, upgrades and FM radio broadcasting networks & services in unserved and underserved areas.	DTT and FM infrastructure and Services	% of geographic network coverage	99% of the population is covered.	97.0	97.5	98.0	98.5	99.0	600	2,500	3,100	3,000	3,000	USF	PTS MIRC FSM CSM

STRATEGIC ISSUE 1: INFRASTRUCTURE AND SERVICES

STRATEGIC GOAL 1: PROMOTE MEANINGFUL CONNECTIVITY TO ICTS IN THE UNSERVED AND UNDERSERVED AREAS

KRA 1. ICT INFRASTRUCTURE AND SERVICES IN UNSERVED AND UNDER-SERVED COMMUNITIES

OUTCOME 3.: INCREASED ACCESS TO POSTAL/COURIER SERVICES

STRATEGIC OBJECTIVE 3: EXPANSION OF POSTAL/ COURIER SERVICES

STRATEGY	KEY ACTIVITY	EXPECTED OUTPUT	OUTPUT INDICATOR	THE TARGET FOR FIVE (5)YEARS	TARGET YR 1	YR 2	YR 3	YR 4	YR 5	BUDGET (KSHS. M) YR 1	YR 2	YR 3	YR 4	YR 5	LEAD	SUPPORT
S1: Integrated Digital Postal Hubs Development	Enhance the capacity of the Public Postal Operator to provide services in unserved and underserved areas and facilitate the establishment of Consolidation Centres for provision of postal and courier services	Established Consolidation Centres in unserved and underserved areas	% of geographic network coverage	99% of the population is covered.	97.0	97.5	98.0	98.5	99.0	600	2,500	3,100	3,000	3,000		PTS MIRC FSM CSM

STRATEGIC ISSUE 2: DIGITAL SKILLS AND RELEVANT LOCAL CONTENT

STRATEGIC GOAL 2: PROMOTE ACCESS TO KNOWLEDGE, DIGITAL SKILLS, LOCAL CONTENT AND DIGITAL SERVICES AMONG THE UNSERVED, UNDERSERVED AND DISADVANTAGED GROUPS

KRA 2. KNOWLEDGE, SKILLS AND RELEVANT LOCAL CONTENT FOR WOMEN, YOUTHS, ELDERLY AND PERSONS WITH DISABILITIES (PWDS)

OUTCOME 4: INCREASED DIGITAL LITERACY SKILLS

STRATEGIC OBJECTIVE 4: DIGITAL EMPOWERMENT FOR WOMEN, YOUTHS, ELDERLY AND PWDS

Priority Area	Strategy	Output	KPI	Baseline	Y1	Y2	Y3	Y4	Y5	Total	Budget Y1	Budget Y2	Budget Y3	Budget Y4	Budget Y5	Source	Lead
S1: Relevant Local Content development	Support the development of relevant local content and applications to serve the unserved and underserved communities. (Agriculture, Health and Education).	Relevant local content and applications	% Level of implementation	100%	100	100	100	100	100	100	300	400	389	100	100	USF	MIRC, MMS, CC, CSM
S2: Digital Skilling	Support rollout of software coding curriculum for learners	Coding Skills	No. of learners trained	2000	-	1000	1000	-	-		500	500	500	500		USF	ICT, MIRC, CS, CE, CC
	Support the rollout of digital literacy programmes, especially for the youth, women, elderly and persons living with disability in unserved and underserved areas.	Digital literacy for youths, women, elderly and PwD in place	% level of implementation of capacity-building initiatives	500	150	150	100				50	150	150	150		USF	ICT, MIRC, CS, CE. CC
S3: Access to Assistive Technologies	Promote innovation and assistive technologies: (Support the development and use of local applications of technological innovations for agriculture, education, commerce, health art/entertainment to serve the youth, women and other vulnerable groups.	Digital services in agriculture, health and commerce projects	No. of applications and assistive technologies deployed.	10	2	3	3	2			100	150	150	100		USF	MIRC, CEP, CSM, RPQM

STRATEGIC ISSUE 3: INSTITUTIONAL CAPACITY

STRATEGIC GOAL 3: ENHANCE THE INTERNAL CAPACITY OF USF FUNCTION

KRA 3: FUND PERFORMANCE

OUTCOME 5: INCREASED FUNDS ABSORPTION RATE AND DEPARTMENT PERFORMANCE

STRATEGIC OBJECTIVE 5: IMPROVE INSTITUTIONAL PERFORMANCE

Priority Area	Strategy	Output	KPI	Baseline	Y1	Y2	Y3	Y4	Y5	Total	Budget Y1	Budget Y2	Budget Y3	Budget Y4	Budget Y5	Source	Lead
S1: Performance Management	Enhance internal capacity to manage and administer the fund including advanced digital skilling, enhancing partnerships and fund mobilization.	Improved departmental performance rating	% Improved departmental performance rating	Excellent	Very Good	Very Good	Very Good	Excellent	Excellent	Excellent	-	20	20	20	20	USF	ALL

S2: Improvement of internal policies processes, digitalization, and tools	Provide appropriate tools and systems for the management and administration of the Fund	Tools, equipment and systems	% increase in Implementation of new skills and tools	50	5	15	10	10	10	40	55	64	44	64	USF	HCA F&A SCM
S3: Fund absorption	Development of Resource Mobilization Strategy and implementation matrix	Increased funds absorption	% Increase in funds absorption	100%	15%	40%	70%	100%	100%	-	46	20	20	20	USF	LS F&A SCM LS F&A SCM

6.1.3   Performance Contracting

As a public institution, CA will be subjected to the Annual Performance Contracting process. This Strategy will be subject to the Director General reporting during the performance contracting and evaluation exercise. The expected targets based on the KRAs will be measured and reported.

6.2   Coordination Framework

This part outlines the required institutional framework, staffing, leadership and systems and procedures to coordinate key activities and programs outlined in the Strategy.

6.2.1   Institutional Framework

The institutional framework includes the organizational structure, policies, rules, and regulations to support the implementation of the strategic initiatives. The required and existing structure, policies, rules, and regulations for the appropriate and adequacy towards the support of carrying out the strategy have been largely based on sector and industry policies.

6.2.1.1   Organizational Structure

To facilitate the effective implementation of the Strategy, the Authority has adopted a functional organizational structure comprising of five hierarchical tiers, each with roles and responsibilities. At the top is the Board of Directors and the Universal Service Advisory Council, which provide strategic direction and governance oversight. The next level is the Senior Management, who are responsible for translating the Board's directives into actionable strategies and initiatives. The Middle Management level plays a critical role in coordinating and executing the day-to-day operations of the Authority. The technical and support staff form the lower tiers of the organizational structure and they provide specialized expertise and support to the Middle and Senior Management levels, contributing to the successful implementation of the Strategy.

6.2.1.2   Institutional Policies, Rules and Regulations

The Authority has developed a comprehensive set of institutional policies, rules and regulations to govern its internal operations and to ensure effective governance, transparency and accountability as described below:

- **Governance and decision-making:** The Authority has established mechanisms for transparent decision-making, conflict of interest management and accountability within the organization.

- **Financial management and accountability:** The Authority has established procedures for budgeting, financial reporting, procurement and internal controls. They ensure sound financial management, transparency and accountability in the use of resources.

- **Information and communication technology (ICT) governance:** The Authority has established guidelines for the use, security and management of ICT infrastructure, systems and data. They ensure the protection of sensitive information, data privacy and effective utilization of ICT resources.

- **Legal and regulatory compliance:** The Authority has established frameworks that outline the organization's commitment to adhere to applicable laws, regulations and international obligations. They establish mechanisms for compliance monitoring, reporting and enforcement.

6.2.2   Human resource management:

The Authority has established frameworks that cover areas such as recruitment, selection, performance evaluation, training and development, and employee welfare. They ensure the recruitment and retentetion of qualified personnel, promote a conducive working environment and provide opportunities for employee growth and development.

6.2.2.1   Leadership

The Universal Service Fund Department will coordinate the implementation of the Strategy. The Fund Stategy Development team will be responsible for regularly reviewing and updating the pace and progress of the Strategy implementation. They will coordinate the implementation efforts by responsible departments, evaluate the milestones achieved and provide comprehensive reports to both the Management and the Board. This team will play a vital role in ensuring that the implementation remains on track.

6.2.3   Systems and Procedure

The Authority will fully automate its business processes and re-engineer its systems to improve efficiency and effectiveness in service delivery. This strategic move is expected to significantly enhance staff performance by reducing manual interventions in business processes and improving coordination across departments. The re-engineering of systems will lead to more effective decision-making and overall better management of resources as described below:

- Re-engineering the Authority's systems and services to accommodate new and emerging technologies: This will enable the Authority to keep up with technological advancements and provide citizens and customers with up-to-date services.

- Facilitating the development of e-transactions to enhance access to information and other e-services

- Optimising and enhancing the automation of internal operational processes: Such processes include monitoring and evaluation tools, internal audit and risk assurance,, inspections, licensing, billing and supply chain management. Automation will lead to increased efficiency, reduced costs and improved accuracy.
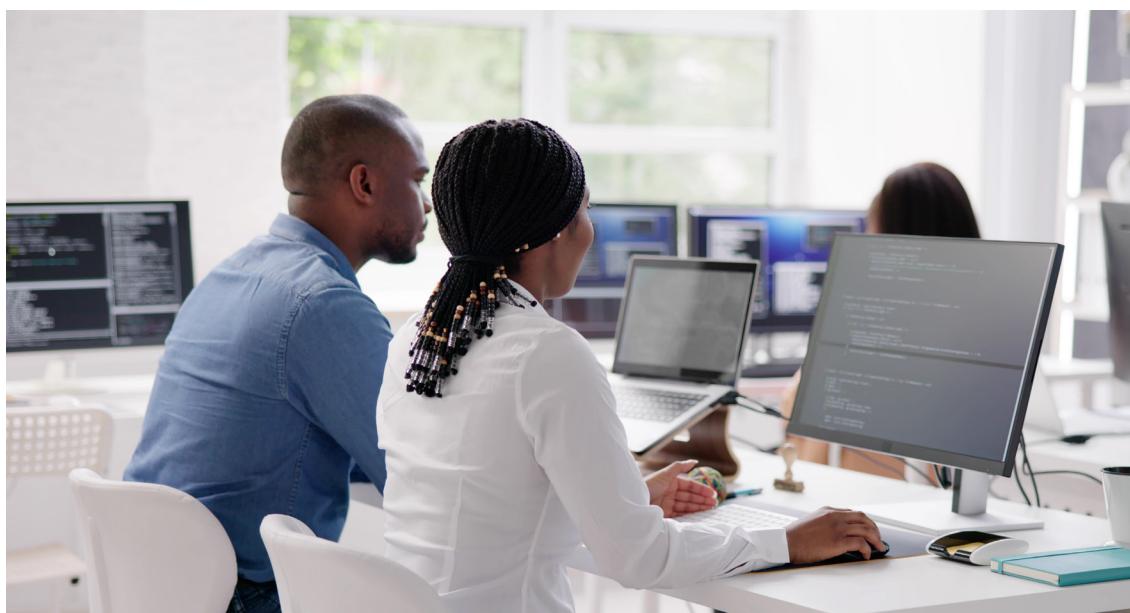
Efficient strategy implementation relies on clear structure, robust policies, and automated systems

- Institutionalising knowledge management and sharing of information within the Authority: This will include establishing a knowledge management system to capture and share best practices, identify challenges, document experiences and disseminate lessons learned.

- Providing a conducive working environment that supports remote and flexible working: This will improve staff morale, productivity and work-life balance, ultimately leading to better service delivery.

6.3   Risk Management Framework

This Strategy has identified and rated probable risks and provided some mitigation measures, as tabulated in the next page:

TABLE 17: RISK MANAGEMENT FRAMEWORK

NO	RISK	RISK LIKELIHOOD			SEVERITY			OVERALL RISK LEVEL			MITIGATION MEASURE
		L	M	H	L	M	H	L	M	H	
1.	Beneficiary/ Community resistance			X			X			X	• Provide clear and timely messages on project objectives using the available channels (website, local FM stations, community meetings, and brochures) • Maintain regular (annual) consultative contact forums with all stakeholders. • Develop communication and stakeheolderengagement strategies. • Monitor and evaluate the implementation of this strategy and institute improvement actions.
2.	Resistance/ litigation by Fund contributors		X			X			X		• Provide information on operational and financial performance. • Provide structured messages to the stakeholders and members on the organization's mandate, objectives, and programmes
3.	In adequate Fund mobilization, absorption and disbursement	X				X			X		• Extend efforts to expand the funding sources. • Develop new partnerships and collaborations on projects. • Develop and implement new Fund disbursement methods, i.e., Grants Management Framework.
4.	Failure to achieve the desired impact	X				X		X			• Establish local partnerships to provide the necessary supportive infrastructure and services. • Implement programmes that have a more socio-economic impact on the communities.
5.	Funding of projects outside the scope of the Fund		X				X	X			• Identify and document priority projects in the Strategy. • Recast the position of USF as strictly serving the underserved and underserved communities. • Liaise with relevant government agencies with a view to creating synergies and streamlining focus on the unserved and underserved communities.
6.	Inadequate internal capacity to manage complex projects		X				X		X		• Acquire the necessary logistical and human resources to handle the USF scope. • Consider outsourcing labour-intensive project components

NO	RISK	RISK LIKELIHOOD			SEVERITY			OVERALL RISK LEVEL			MITIGATION MEASURE
		L	M	H	L	M	H	L	M	H	
7.	Destruction of deployed ICT infrastructure		■				■		■		• Establish partnerships to achieve the operationalization of ICT critical infrastructure laws. • Collaborate with relevant actors to enhance the security of ICT infrastructure
8.	Delayed project implementation and cost overruns		■			■			■		• Extend efforts to expand the funding sources. • Develop new partnerships and collaborators on projects. • Develop and implement new Fund disbursement methods, i.e., Grants Management Framework.
9.	Sustainability challenges		■				■		■		• Establish local partnerships to provide the necessary supportive infrastructure and services. • Implement programmes that have a more socio-economic impact on the communities.

CHAPTER 7:
Resource Requirements and
Mobilization Strategies

Chapter 7: Resource Requirements and Mobilization Strategies

Introduction

This chapter has discussed the annual work plan, financial requirements, and the budget for the implementation of the Strategy. It has further looked at Resource Mobilization from the strategies to source after assessment of the gaps and how the resources will be managed.

7.1   Financial Requirement

The annual work plan has guided the financial requirements and the estimates of resource requirements for the budget for the implementation of the action plan as stipulated in the financial year basis. This has also been informed by the KRAs and administration costs, as demonstrated in the table below.

The resource gaps are demonstrated below based on the variances between resource requirements versus available resources. The resource gaps will inform the resource mobilization strategies, which are critical to realising the full implementation of the Strategy.

TABLE 18: FINANCIAL REQUIREMENTS

COST ITEM	PROJECTED RESOURCES REQUIREMENTS (KES MILLIONS)					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
KRA 1: Develop ICT infrastructure and services in unserved and under-served areas	2,135	11,980	10,735	5,700	4,465	30,015
KRA 2: Developed knowledge, skills and local content for women, youths, elderly and persons with disabilities (PwDs)	300	1,000	1,289	1,000	980	4,569
KRA 3: Fund performance	40	121	104	84	104	453
TOTAL	**2,475**	**13,101**	**12,128**	**6,784**	**5,549**	**40,037**

TABLE 19: ESTIMATED RESOURCE GAPS (A)

STRATEGY YEAR OF IMPLEMENTATION	OPENING BALANCES	ANNUAL INCOME FROM LEVIES	ANNUAL INTEREST INCOME KSHS. (MILLIONS)	TOTAL FUNDS AVAILABILITY	STRATEGY FINANCIAL NEEDS	CLOSING BALANCES
Year 1	18,200	1,700	1,098	20,998	2,435	18,563
Year 2	18,563	1,700	300	20,563	13,121	7,442
Year 3	7,442	1,700	100	9,242	12,128	(2,886)
Year 4	(2,886)	1,700	-	(1,186)	6,804	(7,990)
Year 5	(7,990)	1,700	-	(6,290)	5,549	(11,839)
5 YEAR SUMMARY		INCOME: KSHS. 10,000			KSHS 40.37B	OVERALL DEFICIT: KSHS. 11.839B

7.2   Resource Mobilization Strategies

Apart from the licensees who are the traditional contributors to the Fund, the Authority should outline practical, feasible and realistic strategies to finance the resources required to mitigate the gaps. Among the options allowable by the law are grants from implementing partners, sector joint project financing, and reinvesting of the raised funds from the licensees as seed capital as options of raising funds.

7.3   Resource Management

The USF, being managed under the PPDA, PFM, and internal financial and procurement systems, has demonstrated prudence and frugal management of resources under the watch of management. It is expected these mechanisms will help in managing the resources efficiently, effectively and economically. Principles such as prioritization and sequencing in the utilization of scarce resources will help the projects to be impactful to achieve the desired outcomes on quick wins, short term, medium- and long-term basis.

CHAPTER 8:

Monitoring, Evaluation and
Reporting Framework

Chapter 8: Monitoring, Evaluation and Reporting Framework

The monitoring, evaluation and reporting framework discusses the basis for reviewing the Strategy's progress. The evaluation framework based on the KRAs has been used to define the desired outcome indicators. The baselines will guide the mid and end-term evaluations. Mechanisms for reporting have been articulated under the reporting and feedback mechanism sub-topic.

8.1 Monitoring Framework

The Authority shall develop and implement a monitoring and evaluation (M&E) framework to track activities and indicators of this Strategy. The plan shall ensure that resources are spent as planned within the framework of Strategy projections and budgets.

The Annual Action Plans (AAP) will be the basis for evaluating the implementation of this Strategy. 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.

1.   Immediate action plans (July 2024- June 2025),

2.   Medium-term action plans (July 2025-June 2026),

3.   Long-term action plans (July 2026-July 2027)

8.2 Performance Standards

This Strategy has embraced internationally accepted norms and standards which require reporting on relevance, efficiency, effectiveness, success, and sustainability. Organizations like ITU, World Bank, and other development partners' standards have been embedded for tracking performance.

These include our Key Performance Indicators, which have been captured under outcomes, output, and efficiency levels. The Monitoring, Evaluation and Learning (MEL) department will be central in project monitoring and ensuring data collection for the respective KRAs are documented for both reporting and learning purposes.

8.3 Evaluation Framework

The basis for assessing the level and extent of achievement of the objectives towards the attainment of the strategic goals along their respective KRAs. The tabulation below captures the indicators.

TABLE 20: OUTCOME PERFORMANCE MATRIX

KEY RESULT AREAS	OUTCOME	OUTCOME INDICATOR	BASELINE		TARGET	
			VALUE	YEAR	MIDTERM PERIOD	END TERM PERIOD
KRA 1: Develop ICT infrastructure and services in unserved and under-served areas	**Outcome 1.1** Increased coverage and usage of broadband penetration in the unserved and underserved communities	**Outcome Ind:** 1.1 % increase in mobile broadband penetration	97.5%	2023	98.5%	100%
	Outcome 2.1 Increased DTT and radio population coverage	**Outcome Indicator 2.1:** 1.1 % increase in mobile broadband penetration	97.5%	2023	98.5%	100%
	Outcome 3.1 Increased access to postal/ courier services	**Outcome Indicator 3.1:** 3.1 % Increase of e-commerce penetration index	Baseline = X%	2023	X+10%	X+20%

KEY RESULT AREAS	OUTCOME	OUTCOME INDICATOR	BASELINE		TARGET	
			VALUE	YEAR	MIDTERM PERIOD	END TERM PERIOD
KRA 2. Developed knowledge, skills and local content for women, youths, elderly and persons with disabilities (PwDs)	**Outcome 4.1** Increased digital literacy skills.	**Outcome Indicator 4.1:** 4.1 Increased no. of people trained in digital literacy skills	n/a	2023	Baseline Survey = X	X+20%
KRA 3: Fund performance	**Outcome 5.1** Increased funds absorption rate and performance	**Outcome Indicator 5.1:** 5.1 % Improved overall department performance score	Very Good	2022	Very Good	Very Good

8.3.1 Midterm Evaluation

After two years of implementation, the Strategy will be reviewed to assess the overall performance of USF projects. The midterm evaluation will indicate whether the plan is on track or needs some interventions to get back. The evaluation will rely on the outcome of activities based on the expected results at halfway of implementation. In addition, the review will assess the Strategy strategies and indicators to inform the remaining part of the plan. The Strategy is not likely to take significant shifts after the midterm review, although if there is a major shift in the environment due to policy changes, etc, then it will be necessary to accommodate such changes.

8.3.2 End Term Evaluation

The end-of-term evaluation is key to establishing whether the desired and projected KRAs and their respective outcome indicators have been achieved. These values are agreed upon at the beginning of the Strategy development. The success of the plan relies largely on these indicators, and if there are any changes, reasons for detour are indicated and used as lessons learned, which will advise the subsequent plans.

8.4 Reporting Framework and Feedback Mechanism

The respective project team leader will be required to report on the intervention against the identified project performance indicators to the Monitoring and Evaluation functional head. The established reporting will be undertaken in line with the Monitoring, Evaluation and Learning framework which defines the the required type of report, the format and frequency of submission. the report.

Measurement of actual performance must be made at predetermined times and compared with the performance standards. If the actual results fall outside the desired tolerance range, action must be taken to correct the deviation. The action must not only correct the deviation but also prevent its recurrence.

Table 21: Quarterly Progress reporting template

Universal Service Fund
Quarterly Progress Report
Quarter Ending (xxx)

EXPECTED OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET (A)	QUARTER FOR YEAR (XXX)			CUMULATIVE TO DATE			REMARK	CORRECTIVE INTERVENTION
			TARGET (B)	ACTUAL (C)	VARIANCE (C-B)	TARGET (E)		VARIANCE (F-E)		
Deployment of base transceiver stations (BTSs) providing voice and broadband in remaining unserved and underserved areas	% of geographic network coverage									
High-capacity fibre optic infrastructure	No. of KMs rolled out.									
Digitalized public institutions.	No. of institutions									
Community Networks	No. of Community Networks									
Assistive ICT devices	No. of devices									
DTT and FM infrastructure and services	No. of sub-locations covered.									
Established Citizen Service Centres in unserved and underserved areas	No. of centres									
Relevant local content and applications	% Level of implementation									
Coding skills	No. of learners trained									
Digital literacy for youths, women, elderly and PwD in place	% level of implementation of capacity-building initiatives									
Digital services in agriculture, health and commerce projects	No. of applications and Assistive Technologies deployed									
Improved departmental performance rating	% Improved departmental performance rating									
Tools, equipment and systems	% increase in Implementation of new skills and tools									
Increased funds absorption	% Increase in Fund absorption									
Improved departmental performance rating	% Improved departmental performance rating									

Table 22: Annual Progress Reporting
ANNUAL PROGRESS REPORTING
YEAR ENDING (XXX)

EXPECTED OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET (A)	QUARTER FOR YEAR (XXX)			CUMULATIVE TO DATE			REMARK	CORRECTIVE INTERVENTION
			TARGET (B)	ACTUAL (C)	VARIANCE (C-B)	TARGET (E)	ACTUAL (F)	VARIANCE (F-E)		
Deployment of Base Transceiver Stations (BTSs) providing voice and broadband in remaining unserved and underserved areas	% of geographic network coverage									
	No. of KMs rolled out.									
High-capacity fibre optic infrastructure	No. of KMs rolled out.									
Digitalized public institutions.	No. of institutions									
Community Networks	No. of Community Networks									
Assistive ICT devices	No. of devices									
DTT and FM infrastructure and services	No. of sub-locations covered.									
Established Citizen Service Centres in unserved and underserved areas	No. of centres									
	No. of learners trained									
Relevant local content and applications	% Level of implementation									
Coding skills	No. of learners trained									
Digital literacy for youths, women, elderly and PwDs in place	% level of implementation of capacity-building initiatives									
Digital services in agriculture, health and commerce projects	No. of applications and assistive technologies deployed									
Improved departmental performance rating	% Improved departmental performance rating									
Tools, equipment and systems	% increase in implementation of new skills and tools									
Increased funds absorption	% Increase in fund absorption									
Improved departmental performance rating	% Improved departmental performance rating									

Table 23: Evaluation Reporting

Universal Service Fund
Evaluation Report
Year Ending (xxx)

KEY RESULT AREAS	OUTCOME	OUTCOME INDICATOR	BASELINE		MIDTERM EVALUATION		END TERM EVALUATION		REMARKS	CORRECTIVE INTERVENTION
			Value	YEAR	TARGET	ACHIEVEMENT	TARGET	ACHIEVEMENT		
KRA 1: Develop ICT infrastructure and services in unserved and under-served areas	**Outcome 1** Increased coverage and usage of broadband penetration in the unserved and underserved communities	**Outcome Ind 1** % increase in mobile broadband penetration	97.5%	2023	98.5%		100%			
	Outcome 2 Increased DTT population coverage	**Outcome Ind 2** % increase in population with access to DTT services	93%	2023	93.5%		95%			
	Outcome 3 Increased access to postal/ courier services	**Outcome Ind 3** % Increase of E-commerce penetration index	Baseline = X%	2023	X+10%		X+20%			
KRA 2. Developed Digital skills and local content for Women, Youths, Elderly and Persons with Disabilities (PWDs)	**Outcome 4** Increased digital literacy skills.	**Outcome Ind 4** Increased no. of people trained in digital literacy skills	n/a	2023	Baseline Survey = X		X+20%			
KRA 3: Fund Performance	**Outcome 5** Increased funds absorption rate and performance	**Outcome Ind 5** % Improved Overall department performance score	Very Good	2022	Very Good		Very Good			

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