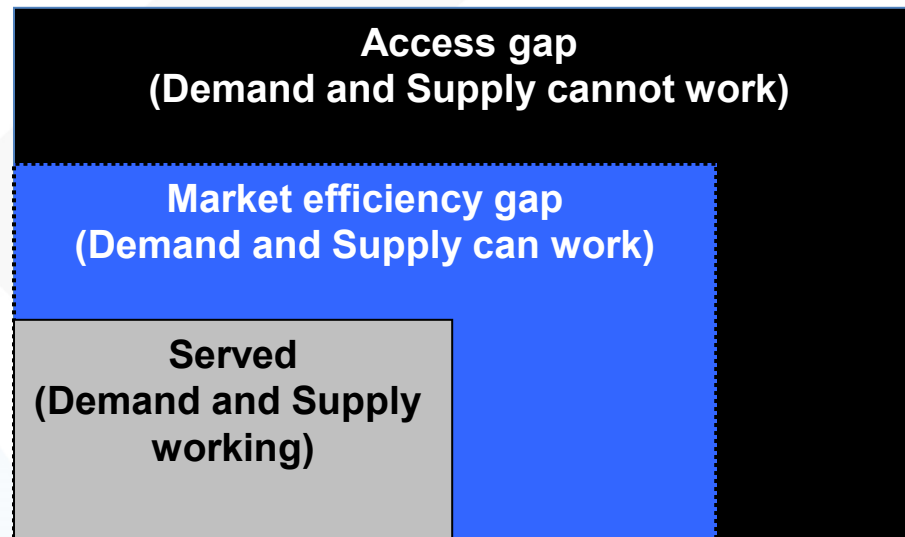


Opportunities and Challenges of using Universal Service Fund

The three hallmarks of the Universal Service Fund

- **Availability:** the service is available to inhabited parts of the country through public, community, shared or personal devices;
- **Accessibility:** all citizens can use the service, regardless of location, gender, disabilities and other personal characteristics; and
- **Affordability:** the service is affordable to all citizens.

Universal Service: Distinctions Within the Access Gap



Smart subsidy zone

Rolling Out Services

- ◆ In the last one decade Kenya has utilized the following;
 - Liberalization – Open the market to the private sector
 - Unified Licensing Framework – Allowing operators to provide multiple services
 - License Obligations – ensuring operators meet targets
 - Spectrum Management and allocation
- ◆ As a result majority of the population have access to communication services (Broadcasting, Postal and Courier, Telecommunication)
- ◆ However some areas require deliberate intervention (collaboration) – Government/Private Sector.

The Universal Service Fund

- ◆ Common government/regulator support is the Universal Service Fund.
- ◆ Established in Kenya through amendment to KICA in 2009
- ◆ USF support infrastructure Development, Capacity Building, Innovations and Content Development
- ◆ Contribution of at least one percent of gross turn over
- ◆ Contribution commenced in 2013/14
- ◆ The total contribution is Ksh 4.7 Billion including contribution of Ksh 1 Billion from Authority as seed capital.

USF Opportunities

- In 2015/16 Authority Undertook ICT Access Gaps Study
- Study identified 348 sub-locations without telecommunication services
- Allocated Kshs 1 billion to connect 202 sub-locations to 2 G telecommunication services
- Allocated Ksh 500 million to connect 894 schools to broadband (5Mbps).

USF Challenges

- ◆ Lack of cooperation from licensees
- ◆ Demand for the USF projects outstrips the budgetary allocation
- ◆ Inequality in distribution of projects among sub-sectors
- ◆ External Interference
- ◆ Tendering procedures delay utilization of Funds
- ◆ The fund management structure remains a challenge

**Thank You for
Your
Attention!**