

CONTRIBUTION TO:

ITU EVENT ON COMBATING COUNTERFEIT AND SUBSTANDARD ICT DEVICES

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Submitted by: **UGANDA COMMUNICATIONS COMMISSION**

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PROJECT TO ELIMINATE COUNTERFEIT PHONES FROM THE UGANDAN MARKET “THE COUNTERFEITS PROJECT”.

The Uganda Communications Commission (UCC) is implementing a project that aims to see the **gradual** and **orderly** elimination of counterfeit mobile phones from the Ugandan market. This project will grow into one that will eliminate all counterfeit terminal radio terminals from the market.

Definition:

A counterfeit phone in Uganda is one which does not have a legitimate IMEI assigned to it by the GSMA.

The need for this project arose out of developments in the terminal equipment market that include;

- a) The surge in the use of counterfeit mobile phones in Uganda in the last few years.
- b) The fact that our Kenyan counterparts at Communications Authority of Kenya switched off counterfeit mobile phones in Kenya. This means that all the counterfeit phones that had been disconnected in Kenya could find their way to Uganda for sale to unsuspecting Ugandans.
- c) The mandate of the UCC to protect consumers from the potential harmful side effects of using counterfeit/substandard mobile phones which include;
 - i. Poor quality of service leading to higher dropped calls and higher incidences of poor reception.
 - ii. Health effects such as the possibility of the substandard materials that are used to make counterfeit phones **possibly** leading to illness.

As a way forward, Uganda realised that the problem was with sub-standard phones. However, checking for sub-standard phones is currently complicated and Uganda has therefore decided to rely on the GSMA to sieve out the phones which have not been approved by that organisation.

The project is composed of three major phases as below.

1. PHASE1: Checking for legitimacy of the mobile phone

The first phase of the project was aimed at enabling the consumers to check the legitimacy of their mobile phones.

UCC has set up an application through which consumers are able to check for the legitimacy of mobile phones by using the IMEI (International Mobile Equipment Identity) number of the mobile phone.

a) Over the internet

The IMEI of the phone in consideration is fed into the application that is hosted on the UCC website. The application returns a response to the query on the internet page. This application is active and available to the consumers via the UCC website.

b) Over the SMS platform

The IMEI of the phone in consideration is sent to the short code 8883 through an SMS. The short code is connected to the UCC web application that enables the checking of the legitimacy of a mobile phone. The web application returns a response to the query **through SMS**. This application is active on all networks for a less than 4 US cents. The cost is paid by the querying customer as this was the most economically responsive and efficient model.

2. PHASE 2: Denial of service to NEW counterfeit mobile phones

The second phase of the project aims at denying access to the telecommunications service providers' networks from counterfeit mobile phones that have not previously been connected to the networks.

Through the call initiation process, it is possible for the service providers' networks to identify the IMEI of the mobile phone that is requesting access to the network. If the service provider has access to the GSMA database, their network is able to identify the requests that have originated from counterfeit devices.

3. PHASE 3: Denial of service to ALL counterfeit mobile phones

The third phase of the project aimed at the complete elimination of counterfeit mobile phones from the Ugandan market. In this phase, the service providers were to deny access to their networks to all service requests from counterfeit mobile phones, including those that were previously receiving service.

Consultations with the operators showed that they preferred to have the two phases, 2 and 3, merged.

In order to effectively address all aspects of the project, working groups were created to handle each of them as shown in the table below.

Table: Counterfeits project Implementation groups

Group Number	Function	Members
A	Curtailling the in-flow of counterfeit phones – at border points	1. Uganda Revenue Authority – Lead (Presence at all border points)
		2. Uganda National Bureau of Standards
		3. National Environment Management Authority
		4. Uganda Police Force
		5. Uganda Communications Commission - Secretariat
B	Engaging Government on support for the project – tax waivers, subsidies, consumer education, etc	1. Uganda Revenue Authority – Lead (Under Min for Finance)
		2. Consumer protection groups
		3. KACITA (Association of traders in Kampala)
		4. Telecom Network operators
		5. Uganda Communications Commission - Secretariat
C	Ensure availability of affordable mobile phones	1. Equipment Manufacturers’ representatives - Lead
		2. Telecom Network operators
		3. KACITA (Association of traders in Kampala)
		4. Uganda Communications Commission - Secretariat
D	Consumer and Public Education	1. Uganda Communications Commission – Lead & Secretariat
		2. Consumer protection groups
		3. Telecom Network Operators
		4. Uganda National Bureau of Standards
		5. KACITA (Association of traders in Uganda)
E	E-waste management (Including advocacy information)	1. National Environment Management Authority - Lead
		2. Uganda Communications Commission - Secretariat
		3. Consumer protection groups
		4. Local authorities
		5. KACITA (Association of traders in Kampala)
		6. Equipment Manufacturer’s representatives
F	Denial of service to counterfeit phones	1. Network operators – Lead
		2. Uganda Communications Commission - Secretariat

4. IMPLEMENTATION

Group A: Curtailing the in-flow of counterfeit phones

Group A agreed that because all the agencies involved in the group have a separate but related mandate to stop the in-flow of counterfeit products, they should operationalise their mandate as per the regulations in the respective agencies. UCC therefore provided the agencies with the definition of the counterfeit phones and the agencies are expected to implement the project using the definition and their own regulations.

Group B: Taxation, subsidies and others

Engagement with government is an on-going activity. However, government is conflicted in balancing its requirements for the revenue from taxation and the possibility of waiving taxes and spending money on consumer education and any possible subsidies.

Group C: Affordable handsets

The equipment manufacturers' representatives were tasked with increasing their reach, especially to rural and remote areas in order to protect their markets by widely supplying genuine phones. At the moment, their outlets are mainly in the bigger cities which creates a loop hole for counterfeit phones to be distributed elsewhere. The phone distributors were also tasked to liaise with their parent companies to develop phones with long lasting battery power for areas that do not have access to mains electricity.

Group D: Consumer awareness

The UCC, together with the members of Group D, has developed a consumer awareness campaign to educate the consumers about all aspects of counterfeit phones and equipment.

Group E: E-waste

Group E has developed a sub-project that aims at the proper disposal of e-waste arising out of the counterfeits project. A pilot project has been carried out and roll out of the main project shall be implemented as soon as the counterfeit phones are dis-allowed from the networks.

Group F: Technical solution

The work of Group F led to the procurement of a Central Equipment Identity Register (CEIR) to facilitate the identification of phones which have illegitimate IMEI numbers. It has not yet been put into use because of challenges with the operators which arose

out of the lengthy process of gazetting of the appropriate regulations for the management of the CEIR.

UCC Secretariat

UCC, as the secretariat, ensured that all the groups were facilitated to meet by providing meeting logistics such as meeting venues, documentation, record keeping and communication.

5. CONSULTANCY RESULTS

In order to better inform the activities of the project, UCC commissioned a consultancy on the counterfeits situation in Uganda. The consultancy showed, among others, that the life span of the counterfeit phones was so short that the 3rd phase may not be cost effective. It showed that if left alone, the already connected counterfeit phones would quickly drop off the network through mal-functioning.

By the time of the consultancy, it had become clear that the general public was against the idea of withholding service from counterfeit terminals that had already been in use on the networks. This aspect of the project had the capacity to fail the whole project and so the consultancy results were a welcome realisation that the project could go ahead without shutting off service to already connected terminals.

6. LESSONS LEARNED

a) INVOLVEMENT OF THE POLITICAL DRIVERS OF THE COUNTRY

It is important, for the success of the project, that the political opinion leaders (such as members of parliament) are educated on such projects before implementation and that they are convinced to support the projects. They should be given a chance to voice any reservations they may have on the project and these should be ironed out before the project is rolled out. This group of people has the power to fail the project. The politicians can then be co-opted to reach out to their constituencies in order to increase acceptability of the project.

b) PUBLIC INFORMATION (Newspapers etc)

It is important that the implementing agency takes charge of the information on the project that is published in the public domain. This will ensure that the information that is disseminated is accurate and will not lead to public incitement to reject the project.

c) CONSUMER AWARENESS

The consumer awareness team should be ready with the information that they intend to use to educate the consumers. This will enable an immediate start as soon as all the technical details are in place.

d) CONFIDENCE IN VERIFICATION MECHANISM AT POINTS OF SALE

UCC uses a method of (Point of Sale) POS verification where the seller provides the buyer with the terminal equipment that is to be tested. Consumer groups in Uganda were worried that unscrupulous sellers may divert the query to fake databases (instead of the GSMA database) and therefore give them fake results. It is important that fool proof methods of verification are developed so that the consumers are confident at the POS.

e) FUTURE PROOFING THE PROJECT

The implementing agency should ensure that the equipment that is purchased is upgradable to take advantage of future developments in counterfeit terminal devices detection and management.

f) REGULATORY REQUIREMENTS

It is important that the regulations governing the elimination of counterfeit phones are in place before any implementation is initiated. The absence of the enabling regulation in Uganda has had a negative impact on the timelines for implementation of the project. The regulations were developed by UCC in 2012. Unfortunately, the process of turning the regulations into law is quite long, involving the line ministry and approval by Parliament.

KYHEYUNE HELEN

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