



INSTITUTIONAL FRAMEWORK FOR THE DIGITAL ECONOMY IN EAST AFRICA



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UNDERSTANDING THE DIGITAL ECONOMY

1.0 Background

Digital transformation is one of the key drivers of the global economy. Digital economy refers to any economic activity that results from online connections among people, businesses, institutions, devices, data etc. It encompasses the broad range of economic activities that involve the utilization of Information and Communication Technologies (ICT) plus the internet which includes trade in electronic transmissions; online platforms or platform-enabled services; supply of ICT goods or services; mobile technology or applications including money transfer, borrowing, and saving services, among others. Digital economy also comprises digital platforms like Google, Facebook and Amazon, platform-enabled services such as car-hailing apps, plus ICT goods and services suppliers. Mobile technology and applications such as money transfer, lending or saving services also constitute the digital economy (Action Aid, 2020).¹ The digital economy thrives on the interconnectedness among people, organizations, and machines that are all enabled by mobile technology, the internet, and the Internet of Things (IoT). By reducing transaction costs, thus improving market efficiency, telecommunication enables economic development (Aker and Mbiti, 2010).²

East African countries have been characterized as 'Break Out' economies, according to the Digital Intelligence Index Report by MasterCard and the Fletcher School at Tufts University.³ This characterization is attributable to the rapid growth in internet penetration and substantive improvements in digital infrastructure in the region's member states. Consequently, the improved digital economy landscape has resulted in a better environment for owners of small businesses to thrive.

Key to the robust and growing digital economy in the region is the telecommunication sector. In Africa, the mobile ecosystem is valued at about USD115 billion and contributes 9% of the continent's GDP.⁴ Africa's digital economy is projected to reach a value of about USD712 billion by 2050 while contributing USD200 billion to the continent's GDP as of 2023 compared to an economic value of USD132 Billion in 2020 with tax contributions of USD15 billion. The sector is significant to East Africa's economy. It is estimated that a percentage point increase in the telecom index usage (fixed line, mobile cellular and internet) contributes to a 0.02(%) real per capita growth.⁵ With increased investment and technological adoption of advanced technologies, the telecom sector demonstrates significant potential for growth with the likelihood of becoming a crucial and pronounced pillar to the region's economy.

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1. Action Aid, *Taxing the Digital Economy*, Progressive Taxation Policy Brief, January 2020 <https://actionaid.org/sites/default/files/publications/Digital%20taxes%20progressive%20tax%20brief%20jan20.pdf>
 2. Aker J.C., and Mbiti I.M., 'Mobile Phones and Economic Development in Africa', *Journal Of economic Perspectives*, Vol. 24, No. 3, Summer 2010, (pp. 207-32), <https://www.aeaweb.org/articles?id=10.1257/jep.24.3.207>
 3. Kitimo A., 'Kenya, Tanzania and Rwanda rank top for rapid digital growth, demand', *The East African*, 16 December 2020, <https://www.theeastafrican.co.ke/tea/news/east-africa/kenya-tanzania-rwanda-rank-top-for-rapid-digital-growth-3230890>
 4. Herbert G. and Loudon L., *The size and growth potential of the digital economy in ODA-eligible countries*, K4D (Knowledge, Evidence, and Learning for Development) Helpdesk Report, 1 December 2020, https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/15963/915_size_and_growth_potential_of_the_digital_economy_in_ODA-eligible_countries.pdf?sequence=1&isAllowed=y
 5. Kedir A., Kawo K.N., and Hasan A., "ICT and Economic Growth in East African Countries: A Panel Data Approach", *Journal of Information Engineering and Applications*, Vol.9, No.7, December 2019, (PDF) [ICT and Economic Growth in East African Countries: A Panel Data Approach](#)

1.1 Rationale for the Study

As with the rest of the world, East African countries acknowledge the fundamental significance of the digital economy in accelerating economic growth. Considering this fact, especially in reference to the telecom sector's value to the region's economy, there is a need for the regional governments to adopt and implement robust policies to govern the sector. More specifically, the governments should consider enforcing a progressive tax regime on the sector to maximize its potential contribution to the economy. However, research currently shows the inefficiencies of the existing taxation models and overall challenges in taxing the telecom sector. There are gaps in policies and regulations, which, it has been argued, provide loopholes for opaqueness in reporting revenue figures by industry players, therefore, allegedly resulting in tax evasion by telecommunication industries. On the government side, there is arguably limited expert knowledge in taxing the telecom sector. There is also weak enforcement of the existing tax regime to ensure full compliance by all players in the sector.

As such, the purpose of this study was to examine the landscape of the digital economy with a narrow focus on the telecoms sector. The study sought to examine the taxation regime in the sector by focusing on gaps in policies and regulations in the sector, the challenges, and opportunities for taxing the telecom sector and the digital economy. The specific objectives of the study were:

1. To examine challenges associated with mobilizing revenues from the telecom sector and the digital economy;
2. To determine opportunities to be leveraged to improve tax revenue mobilization from the telecom sector and digital economy.

2.0 Introduction

The significant evolution in ICT in the last decade, augmented by increased internet access and usage, has encouraged the digitization of the economy. According to the Organisation for Economic Co-operation and Development (OECD), an enabling digital economy framework consists of the following: (i) digital enablers; (ii) digital infrastructure; (iii) regulation ensuring effective use of ICT; (iv) involvement of stakeholders in policy-making; (v) and an open market environment. (Konrad-Adenauer-Stiftung, 2018). This brief examines the policy and regulatory landscape for the Digital Economy in East Africa and its implications for domestic revenue mobilization in the region. It also explores the various gaps and opportunities that exist, and the specific regulatory challenges faced by digital economy businesses and telecom companies in the region.

2.1 Legal and Policy Frameworks on Digital Economy in East Africa

According to the World Bank, East Africa has huge potential for the digital economy.⁶ For the region to transform into successful digital economies, there is a need for a progressive policy or regulation on issues such as spectrum, data protection and digital taxation.⁷ As it stands, the policies and strategies for the digital economy in the region are only at the country level.⁸ There exist, however, various mechanisms within the EAC that seek to tap into the digital economy. The policy and regulatory frameworks on the digital economy established by the individual countries in East Africa are outlined in the subsequent sections.

2.1.1 Kenya

Kenya's digital economy and telecommunication sector is regulated and governed by an elaborate regulatory framework composed of various laws, policies, and regulatory bodies. Table 1 summarizes the policies and laws relevant to the ICT sector, which also encompass the digital economy and telecom companies.

2.1.2. Tanzania

In Tanzania the policy and regulatory environment is within the mandate of the Ministry of Information, Communication and Information Technology and the Tanzania Communications Regulatory Authority (TCRA). The policies and laws in place relevant to Tanzania' digital economy are presented in Table 2.

6. E-Trade for All, A Single Digital Market for East Africa, 20 May 2019, <https://etradeforall.org/news/single-digital-market-east-africa>

7. Gilbert P., 'East Africa's digital economy needs progressive policy – Kenyan regulator', *Connecting Africa*, 14 September 2020, http://www.connectingafrica.com/author.asp?section_id=761&doc_id=763893

8. Rwigema P.C., 'Digital Technology and its Relevance to Political and Social Economic Transformation. Case Study of East African Community Region', *Strategic Journal of Business & Change Management*, 27 November 2020, https://www.researchgate.net/publication/346425505_DIGITAL_TECHNOLOGY_AND_ITS_RELEVANCE_TO_POLITICAL_AND_SOCIAL_ECONOMIC_TRANSFORMATION_CASE_STUDY_OF_EAST_AFRICAN_COMMUNITY_REGION_DIGITAL_TECHNOLOGY_AND_ITS_RELEVANCE_TO_POLITICAL_AND_SOCIAL_ECONOMIC_T

Table 1: Summary of Relevant ICT Sector Laws and Policies in Kenya

	Policies / Laws	Description
Policies	The National Information and Technology (ICT) Policy Guidelines 2020 ⁹	The policy is forward looking and provides action plans to integrate modern technologies and have the ICT contribute to GDP.
	The Kenya National Digital Master Plan 2022 - 2032 ¹⁰	A continuation of the Master Plan 2014–2017 with emphasis on: digital infrastructure, digital government service, product and data management, digital skills, digital innovation, and digital business.
	Sessional Paper No. 1 of 2019 ¹¹	Integrates ICT uses in education policy reforms and emphasizes; ICT use in E-government for education systems, ICT skills, e-learning in schools and inclusive learning fostered by technology.
	Vision 2030 ¹²	Boost of digital economy by 2030 entails upgrading ICT capacity, ICT industry development, improving public service delivery using ICT and upgrading national ICT infrastructure.
Laws	Kenya Information and Communications Act 1998/ Kenya Information and Communications Amendment Act 2013 ¹³	Provides an elaborate legal framework cutting across telecommunication services, radio communication, broadcasting services and cyber security and postal services.
	Data Protection Act, 2019 ¹⁴	Contains provisions to establish the Office of the Data Protection Commissioner; to make provision for the regulation of the processing of personal data; to provide for the rights of data subjects and obligations of data controllers and processors; and for connected purposes.
	Finance Act 2020 ¹⁵	Provides amendments to income tax detailing obligations for the digital economy – Digital Service Tax.
	Finance Bill 2023 ¹⁶	Amendment of the Finance Act 2020, where players in the digital economy have new tax obligations. ^{17, 18, 19}

9. GOK (Government of Kenya), 'National ICT Policy Guidelines 2020', *The Kenya Gazette*, 2020, <https://www.ca.go.ke/sites/default/files/CA/Statutes%20and%20Regulations/National-ICT-Policy-Guidelines-2020.pdf>
10. GOK (Government of Kenya), *The Kenya National Digital Masterplan 2022 – 2023*, Ministry of ICT, Innovation & Youth Affairs. (2022), <https://cms.icta.go.ke/sites/default/files/2022-04/Kenya%20Digital%20Masterplan%202022-2032%20Online%20Version.pdf>
11. GOK (Government of Kenya), Sessional Paper No. 1 of 2019 on a Policy Framework for Reforming Education and Training for Sustainable Development in Kenya, Ministry of Education, 2019, <https://www.knqa.go.ke/wp-content/uploads/2019/03/Session-Paper-No-1-of-2019.pdf>
12. Kenya Vision 2030, *About Vision 2030*, <https://vision2030.go.ke/about-vision-2030/>
13. CAK (Communications Authority of Kenya), *Laws and Regulations*, <https://ke-cirt.go.ke/law-regulations/>
14. The Republic of Kenya. (2019). The Data Protection Act, 2019. http://kenyalaw.org/kl/fileadmin/pdfdownloads/Acts/2019/TheData-ProtectionAct__No24of2019.pdf
15. KPMG, *Finance Act 2020: A KPMG Analysis*, 2020, https://assets.kpmg.com/content/dam/kpmg/ke/pdf/tax/Finance_Act_11_07_2020.pdf
16. KPMG, *Finance Bill 2023 Analysis Kenya*, 2023, <https://assets.kpmg.com/content/dam/kpmg/ke/pdf/tax/2023/KPMG%20Finance%20Bill%202023%20Analysis.pdf>
17. Ronalds LLP, *The Finance Bill 2023*, <https://ronalds.co.ke/finance-bill-2023-kenya-highlights/>
18. Chege, N., 'Finance Bill and its surprises for digital economy', *Daily Nation*, 20 May 2023. <https://nation.africa/kenya/blogs-opinion/opinion/finance-bill-and-its-surprises-for-digital-economy-4240938>
19. Diouf, A.; Carreras, M. and Santoro, F., *Taxing Mobile Money in Kenya: Impact on Financial Inclusion*, ICTD Working Paper 168, 2023, DOI: 10.19088/ICTD.2023.030, <https://www.ids.ac.uk/publications/taxing-mobile-money-in-kenya-impact-on-financial-inclusion/>

Table 2: Summary of Relevant ICT Sector Laws and Policies in Tanzania

	Policies and Laws	Description
Policies	National Postal Policy 2003 ²⁰	Provides six postal policies aimed at promoting a competitive, collaborative, and innovative digital economy.
	National Telecommunication Policy 1997 ²¹	Sought to ensure establishment of dependable telecommunication infrastructure to support efficient telecommunication services in Tanzania.
	National Information and Communication Technology Policy 2016 ²²	Policy emphasizes the political will for digital transformation, fortified ICT infrastructure, national, regional, and global collaboration for ICT development and suitable regulatory environment for digital economy.
Laws	The Tanzania Communications Regulatory Authority Act, 2003 ²³	Provides legal backing to Tanzania Communications Regulatory Authority to carry out its mandate.
	Universal Communications Services Access Act, 2006 ²⁴	Formed to provide legislations for the formation of the Universal Communications Services Access Fund to boost provision and accessibility of communication services.
	Electronic Transactions Act, 2015 ^{25, 26}	Grants legal recognition to electronic transactions, e-government services, the utilization of ICT in collecting evidence, acceptance of electronic evidence in legal proceedings and the promotion of secure electronic signatures.
	Access to Information Act, 2016 ²⁷	Provides legal guidelines and scope definitions of rights of the public to access information.

Some of the laws and policies have proved to be effective in strengthening the digital economy. For instance, in April 2023, Tanzania Telecommunications Company Limited (TTCL) – Tanzania’s

20. United Republic of Tanzania, National Telecommunication Policy, Ministry of Communication and Transport, 1997, <https://ictpolicyafrica.org/es/document/hmwg4qk189k>
21. The United Republic of Tanzania, National Information and Communications Technology Policy 2016, Ministry of Works, Transport and Communication, May 2016, <https://www.ega.go.tz/uploads/publications/sw-1574848612-SERA%202016.pdf>
22. The United Republic of Tanzania, National Information and Communications Technology Policy 2016, Ministry of Works, Transport and Communication, May 2016, <https://www.ega.go.tz/uploads/publications/sw-1574848612-SERA%202016.pdf>
23. TCRA (Tanzania Communications Regulatory Authority), *The Tanzania Communications Regulatory Authority Act 2003*, <https://www.mawasiliano.go.tz/uploads/documents/sw-1687758516-Tanzania%20Communications%20Regulatory%20Authority%20Act%20of%202003.pdf>
24. United Republic of Tanzania, *The Universal Communications Service Access Act 2006*, Ministry of Information, Communication, and Information Technology, January 2007, <https://www.mawasiliano.go.tz/uploads/documents/sw-1687758221-The%20Universal%20Communications%20Service%20Access%20Act%20of%202006.pdf>
25. United Republic of Tanzania, *The Electronic Transactions Act 2015*, Ministry of Information, Communication, and Information Technology, May 2015, United Republic of Tanzania, *The Electronic Transactions Act 2015*, Ministry of Information, Communication, and Information Technology, May 2015, <https://tanzlii.org/en/akn/tz/act/2006/11/eng@2008-12-01>
26. Shilinde, J., ‘WTO Work Program on Electronic Commerce: What Issues for the East African Community (EAC) Members? – Stakeholders Perspectives’, Tanzania: Country Update Note, March 2018, <https://www.esrf.or.tz/wp-content/uploads/2021/05/EACGF14-Tanzania.pdf>
27. United Republic of Tanzania, *The Access to Information Act 2016*, Ministry of Information, Communication, and Information Technology, <https://tanzlii.org/en/akn/tz/act/2016/6/eng@2016-09-30>

government-owned telecommunication company – collaborated with Huawei to expand the National ICT Broadband Backbone (NICTBB) to 23 districts under a contract worth USD 15.16 million.²⁸ This is evidence of the contribution of the National and Communication Technology Policy 2016 to the strengthening of one of its areas of focus – private and public sector collaboration to facilitate ICT development. Moreover, the Universal Communications Service Access Act 2006 has demonstrated its effectiveness through the Universal Communication Fund providing subsidies of about USD Million 85.16 to develop rural communication infrastructure.²⁹

2.1.3. Uganda

Policy and regulations relevant to the digital economy in Uganda are handled by the Ministry of ICT and National Guidance, Uganda Communications Commission, and the National Information Technology Authority-Uganda (NITA-U). Table 3 is a summary of laws and policies relevant to the digital economy and its players in Uganda.

Table 3: Summary of Relevant ICT Sector Laws and Policies in Uganda

	Policies and Laws	Description
Policies	National Postcode and Addressing System Policy 2019 ³⁰	Sought to create a reliable and modernized postcode and address system for national development through trade promotion, improved socio-economic infrastructure, and revenue collection.
	National ICT Policy 2014 ³¹	The policy objectives cut across: promoting innovation; expanding ICT infrastructure; deepening ICT use in government, among the citizenry and the private sector; and improving ICT governance.
	The National Broadband Policy 2018 ³²	The main objectives of the policy are: minimize wastage of broadband resources; enhancing national level broadband connectivity, and reviewing the licensing of Telcos and broadcast operators.
	Electronic Waste Management Policy 2012 ³³	The policy's aim is to control environmental challenges associated with a growing digital economy in the country.
	National Spectrum Policy for Uganda ³⁴	The policy's main intent is to provide guidelines for suitable utilization of radio spectrum owing to its scarcity and natural occurrence.

28. Mosenda, J., 'How this budget embraces digital technologies?', The Citizen, 16 June 2023, <https://thecitizen.co.tz/tanzania/news/national/-how-this-budget-embraces-digital-technologies-4272164>

29. UCSAF (Universal Communications Service Access Fund), Communication Fund for All, 2023, <https://www.ucsaf.go.tz/news>

30. Republic of Uganda, Draft National Postcode and Addressing System Policy, Ministry of Information and Communications Technology and National Guidance, 2019, <https://ict.go.ug/ims/public/site/documents/National-Postcode-and-Addressing-System-Policy.pdf>

31. Republic of Uganda, National information and Communications Technology Policy for Uganda, Ministry of Information and Communications Technology, October 2014, https://ict.go.ug/site/documents/ICT_Policy_2014.pdf

32. Republic of Uganda, The National Broadband Policy, Ministry of Information Communications Technology and National Guidance, September 2018, <https://ict.go.ug/site/documents/NATIONAL-BROADBAND-POLICY-2018.pdf>

33. Republic of Uganda, Electronic Waste Management Policy 2012, Ministry of Information Communications Technology and National Guidance, August 2012, <https://ict.go.ug/site/documents/Electronic-Waste-Management-Policy-for-Uganda.pdf>

34. Republic of Uganda, National Spectrum Policy for Uganda, Ministry of Information and Communications Technology, November 2017, <https://ict.go.ug/ims/public/site/documents/Spectrum-Policy-revised-011117.pdf>

	Policies and Laws	Description
Laws	Uganda Communications Act 2013 ³⁵	The policy's main intent is to provide guidelines for suitable utilization of radio spectrum owing to its scarcity and natural occurrence. Some of the objectives of the act include: formation of Uganda Communications Commission; enhancing national coverage of communication services; fostering private sector participation in developing the communication sector; and funding development of rural communication and information technology in Uganda.
	Electronic Transactions Act 2011 ³⁶	The law provides for security and regulation of electronic communications and transactions.
	Income Tax Amendment Bill ³⁷	Provides amendments to the Income Tax Cap 340 with new tax obligations for digital economy players.

Despite the existence of robust laws and policies that would ensure continued growth of the digital economy, Uganda still faces challenges that limit the effectiveness of these laws and policies. Research done by NITA-U in 2022 indicated that 60.9% of businesses were unaware of the Electronics Transactions Act 2011, and 81.2% of businesses were not aware of national standards governing Information Technology (IT)³⁸. Also, there have been notable inconsistencies between national policies and laws, and fiscal strategies concerning the digital economy. A prime example is the Ugandan government's imposition of unfavorable taxes on social media and mobile money transfers in 2018, which demonstrated limitations in the policies and initiatives aimed at fostering the country's digital economy. As a consequence of these taxes, telecom operators have suffered a decline in revenues.³⁹

2.1.4 Rwanda

The Rwanda Utilities Regulatory Agency (RURA) regulates public utilities in Rwanda, including the telecommunication sector. A summary of ICT-relevant laws and policies in the country is provided in Table 4.

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35. Republic of Uganda, Uganda Communications Act 2013, <https://ulii.org/en/akn/ug/act/2013/1/eng@2013-01-18>
36. Republic of Uganda, The Electronics Transactions Act 2011, Ministry of Information Communications Technology and National Guidance, 3 December 2019, <https://nita.go.ug/laws-regulations/electronic-transactions-act-2011-act-no-8-2011#:~:text=This%20provides%20for%20the%20use%2C%20security%2C%20facilitation%20and,a%20light%20handed-%20regulatory%20regime%20for%20electronic%20transactions.>
37. Republic of Uganda, Income Tax (Amendment) Bill 2023, Parliament of the Republic of Uganda, <https://parliamentwatch.ug/bills/income-tax-amendment-bill-2023/#:~:text=The%20object%20of%20this%20Bill%20is%20to%20amend,as%20a%20listed%20institution%20and%20for%20related%20matters>
38. NITA-U(National Information Technology Authority), National Information Technology Survey Final Report, 2022, <https://nita.go.ug/publications/reports/national-it-survey/national-information-technology-survey-final-report-2022>
39. Gillwald, A., Mothobi, O., Ndiwalana, A., & Tusubira, T. (2019). The State of ICT in Uganda, Research ICT Africa., <https://researchictafrica.net/research/the-state-of-ict-in-uganda/>

Table 4: Summary of Relevant ICT Sector Laws and Policies in Rwanda

	Policies and Laws	Description
Policies	National Information Communication Infrastructure 2000-2005 (NIC I) ⁴⁰	The policy's focus was to create an enabling environment for establishment and growth of the ICT sector in Rwanda.
	National Information Communication Infrastructure 2006-2010 (NICI II) ⁴¹	The policy focused on the development of critical national ICT infrastructure for present and future communications requirements.
	National Information Communications Infrastructure 2011-2015 (NICI III) ⁴²	The policy emphasized skills development, private sector; and community development and e-government and cyber security.
	National Information Communications Infrastructure 2020 (NICI IV) ⁴³	The policy focused on amalgamating the NICI processes to help the country attain a middle-income country status.
Laws	Regulation No 013/R/EC-ICT/RURA/2021 ⁴⁴	The purpose of the law is to provide a regulatory framework for efficient licensing, processes, and procedure in the ICT sector.
	No 26 of 27/06/2016 ⁴⁵	The law cuts across the promotion of ICT policy objectives, licensing and regulatory frameworks, formation of ICT institutions, establish Rwanda as a major communications hub globally, promote information society, and ensure equitable provision of affordable services.
	Official Gazette No 20 Bis of 15/05/2023 ⁴⁶	The order determines the responsibilities, organization and functioning of Universal Access Fund in the ICT sector.

40. Republic of Rwanda, National ICT Strategy and Plan NICI – 2015, https://www.minict.gov.rw/fileadmin/user_upload/minict_user_upload/Documents/Policies/National ICT Plan 2015.pdf
41. Government of Rwanda, The NICI-2010 Plan: An Integrated ICT-Led Socio-Economic Development Plan for Rwanda 2006-2010, http://www.ist-africa.org/home/files/rwanda_nici2010.pdf
42. Republic of Uganda, The National Broadband Policy, Ministry of Information Communications Technology and National Guidance, September 2018, <https://ict.go.ug/site/documents/NATIONAL-BROADBAND-POLICY-2018.pdf>
43. Republic of Rwanda, Smart Rwanda 2020 Master Plan, Towards a Knowledge Based Society, Ministry of Youth and ICT (MYICT), October 2015, Kigali, https://www.minict.gov.rw/fileadmin/user_upload/minict_user_upload/Documents/Policies/SMART_RWANDA_MASTERPLAN.pdf#:~:text=Smart%20Rwanda%202020%20Master%20Plan%20constitutes%20in%20fact,to%20go%20in%20tandem%20with%20the%20EDPRS%20II
44. RURA (Rwanda Utilities Regulatory Authority), Regulation No 013/R/EC-ICT/RURA/2021 OF 25/02/2021 Governing Licensing in Electronic Communication, https://www.rura.rw/sectors/ict/regulatory-instruments/regulations-and-guidelines?tx_filelist_filelist%5Bcontroller%5D=File&tx_filelist_filelist%5BcurrentPage%5D=2&tx_filelist_filelist%5Bpath%5D=&cHash=02599cc76f20f3aeaf010b99ffc5eca6
45. Republic of Rwanda, 'Law N°24/2016 OF 18/06/2016 Governing information and Communication Technologies', Official Gazette n°26 of 27/06/2016, Official Gazette n° 20 Bis of 15/05/2023, https://www.minict.gov.rw/fileadmin/user_upload/minict_user_upload/Documents/Laws/ICT_LAW.pdf
46. Republic of Rwanda, 'Presidential Order No 025/01 of 12/05/2023 Governing Universal Access Fund', Official Gazette n° 20 Bis of 15/05/2023, https://www.minijust.gov.rw/official-gazette?tx_filelist_filelist%5Bcontroller%5D=File&tx_filelist_filelist%5BcurrentPage%5D=2&tx_filelist_filelist%5Bpath%5D=%2Fuser_upload%2FMinijust%2FOfficial_gazettes_2%2F_2023_Official_Gazettes%2F_May%2F&cHash=db7f0c9bba02ed038d7a207f77727fc1

There have been mixed reactions to the effectiveness of policies and laws relevant to the ICT sector in Rwanda in some studies and reports. For instance, there are indications that the ICT policies did not meet all the provided Key Performance Indicators (KPIs) of success by 2020 in Rwanda. For example, there was a shortfall in meeting the set electronic payment transactions of 50%, with only 27% of the target being attained. The only performance indicator whose target was met was a mobile subscription rate of 82%, which surpassed the 60% target.⁴⁷ A report by the International Labor Organization (ILO) and GIZ showed effectiveness of the National Information Communications Infrastructure 2011-2015 (NICI III) through increased digital skills and confidence in the use of digital technologies among citizens in the country.⁴⁸

2.1.5. Burundi

The governance of the digital economy in Burundi is guided by the Politique Nationale de Développement des Technologies de l'Information et de la Communication (PNDTIC 2010-2025).⁴⁹ This responsibility is further allocated by PNDTIC 2010-2025 to four key institutions: the Ministry of Youth, Posts and Information and Communication Technologies (MoYPICT); the Secretariat of Information Technologies and Communication (SETIC); the Regulatory Authority for Communications and Transport (ARCT); and the National Centre for Information Systems (CNSI). These institutions play a crucial role in overseeing and steering the country's digital landscape. They work together to ensure that policies and initiatives are effectively coordinated and implemented such that the full potential of the digital world is embraced, and new opportunities are created for the people of Burundi. Table 5 shows the policies and laws relevant to the ICT sector in Burundi.

The national policies and laws acknowledge the importance of the digital economy to the country's economic growth. However, there exist major gaps created by challenges in the coordination between stakeholders in the digital economy and key regulators. This makes the sector un conducive for digital adoption and undermines collaboration with the private sector for its growth.⁵⁰ It is recommended that the government of Burundi adopts an inclusive stakeholder engagement approach when formulating and implementing laws and policies regarding ICT sector.⁵¹

47. Kono, K., Analysis and Evaluation of Rwanda ICT Policy, National Graduate Institute for Policy Studies, Public Policy Program, International Cooperation Concentration Course, 2022, https://gdforum.sakura.ne.jp/lec/course%20PDI/student_slides/2022/kenta_rwanda%20ICT.pdf

48. Ndayambaje I., Background Paper: Teaching and the teaching profession in a digital world – Rwanda, International Labour Organization (ILO) and m Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), 2023, https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_dialogue/@sector/documents/publication/wcms_880412.pdf

49. Government of Burundi (2010). Politique Nationale de Développement des Technologies de l'Information et de la Communication du Burundi (2010-2025), 2010, <https://documents1.worldbank.org/curated/en/099545003022239746/pdf/P17639600Digital000CPR00028002.pdf>

50. World Bank, Burundi Digital Economy Assessment, 21 December 2020, Open Knowledge Repository, <https://openknowledge.worldbank.org/entities/publication/1aa3cc93-6868-532b-a856-8999a10fb8bd>

51. CIPESA (The Collaboration on International ICT Policy for East and Southern Africa), State of Internet Freedom in Burundi 2019: Mapping Trends in Government Internet Controls 1999-2019, January 2020, <https://www.scribd.com/document/485872508/State-of-Internet-Freedom-in-Burundi-2019>

Table 5: Summary of Relevant ICT Sector Laws and Policies in Burundi

	Policies and Laws	Description
Policies	The National ICT Development Policy 2010-2025 (PNDTIC 2010-2025) ⁵²	This is deemed a representation of initial efforts to promote widespread adoption of modern technology in Burundi.
	The National Development Plan 2018-2027 (PND 2019-2027)	The policy focuses on improving infrastructure, digital culture promotion and sector-specific digital initiatives.
	ARCT Strategic Plan – Plan Stratégique 2016-2020 ⁵³	The policy outlines a plan to address universal access to information services, operator licenses and fair telecom competition.
	Burundi Broadband Strategy - Stratégie Burundi Large Bande 2025 (BLB 2025) ⁵⁴	The policy is specific to strengthening broadband connectivity in the whole of Burundi by 2025.
Laws	Decree N° 100/186 ⁵⁵	The law led to the establishment of the Universal Service Fund relevant to ICT sector.
	Règlement N°001/2017 ⁵⁶	This regulation introduces the role of a payment service provider (PSP), enabling authorized entities to offer a range of services like cash transfers, payment account withdrawals, automatic transfers, pre-paid payment cards and electronic money usage.
	Decree N° 100/97 ⁵⁷	This presidential decree legalizes the merchant provision of data driven value-added services such as e-commerce platforms, direct messaging platforms, call centers, virtual social networks, and mobile money platforms.
	Decree N° 100/112 ⁵⁸	The law prompts ARCT to redefine its mandate and focus on promotion of universal access to ICT, foster broadband services and the digital economy, and planning and managing the telecommunication market.

2.2. Institutional Frameworks on Digital Economy in East Africa

East African countries have institutions with various mandates and missions relevant to the digital economy and which are backed by legal provisions to execute their duties. Moreover, the role of government institutions in strengthening the ICT sector and digital economy is emphasized by

52. *Ibid.*

53. Republic of Burundi, Strategic Plan, Telecommunications Regulation and Control Agency, <https://arct.gov.bi/wp-content/uploads/2022/10/rapport2016.pdf>

54. Republic of Burundi, Burundi Large Bande 2025, <https://www.itu.int/md/D18-SG01.RGQ-C-0167>

55. Republic of Burundi, Decree No. 100/186 of 16 October 2017 on the creation and management of the ICT universal service fund in Burundi, <https://arct.gov.bi/2017/10/16/decret-n100-186-du-16-octobre-2017-portant-creation-et-modalites-de-gestion-du-fonds-de-service-universe-des-tic-au-burundi/>

56. Republic of Burundi, Reglement No 001/2017 Relatif Aux Services De Paiement Et Aux Activities Des Etablissements De Paiement, <https://archive.brb.bi/fr/content/reglementation-et-supervision-des-services-financiers-numerique-au-burundi>

57. Republic of Burundi, DECRET N°100/97 DU 18 AVRIL 2014 PORTANT FIXATION DES CONDITIONS D'EXPLOITATION DU SECTEUR DES COMMUNICATIONS ELECTRONIQUES, <https://arct.gov.bi/2023/01/24/decret-n100-97-du-18-avril-2014-portant-fixation-des-conditions-dexploitation-du-secteur-des-communications-electroniques/>

58. Republic of Burundi, Décret n° 100/112 du 05 Avril 2012 portant réorganisation et fonctionnement de l'agence de régulation et des contrôle des telecommunication, <https://arct.gov.bi/2012/04/05/decret-n-100-112-du-05-avril-2012-portant-reorganisation-et-fonctionnement-de-lagence-de-regulation-et-des-contrôle-des-telecommunication-arct/>

Adeleye et al (2023)⁵⁹ who noted that high quality institutions in a country ensure the setting up of proper market regulations and policies, organize the interaction between market players and these regulations and policies, and stimulate advancements in ICT for national growth. According to Spence (2021),⁶⁰ national governments, through their institutions, should promote growth of the digital economy in order to justify its taxation as the sector grows. Table 6 provides a summary of institution in East Africa countries that are relevant to the ICT sector.

Table 6: Summary of ICT and Digital Economy Sector Institutions in East Africa

Country	Institutions	Description
Kenya	Ministry of ICT, Innovation and Youth Affairs	Mandate comprises formulation of policies and laws that regulate ICT sector, telecommunication, and media industry.
	Communications Authority of Kenya (CA)	Facilitate the development of the information and communications sectors including broadcasting, cybersecurity, multimedia, telecommunications, electronic commerce, postal and courier services.
	Kenya Revenue Authority	Revenue collecting body for the government.
Tanzania	Ministry of Communication and Information Technology	Responsible for formulating and monitoring the implementation of information, information technology, communication, and postal policies.
	The Tanzania Communications Regulatory Authority (TCRA)	The institution's mandated to regulate the electronic and postal communications sector in Tanzania.
	Tanzania Revenue Authority	Revenue collecting authority for the Tanzanian government.
Uganda	Ministry of ICT and National Guidance	Responsible for providing strategic and technical leadership, overall coordination, support, and advocacy on all matters of policy, laws, regulations and strategy for the ICT sector.
	Uganda Communication Commission (UCC)	Formed to regulate the communications sector, which includes telecommunications, broadcasting, radio communication, postal communications, data communication and infrastructure.
	National Information Technology Authority Uganda (NITA-U)	Mandated to coordinate, promote and monitor Information Technology (IT) developments in Uganda within the context of national social and economic development.
	Uganda Revenue Authority	Revenue collecting body for the Ugandan government.

59. Adeleye B.N., Sodiq Arogundade S., and Mduzi B., 'Empirical Analysis of Inclusive Growth, Information and Communication Technology Adoption, and Institutional Quality', *Economies*, 2023, 11(4), 124, <https://www.mdpi.com/2227-7099/11/4/124>

60. Spence M., 'Government and economics in the digital economy', *Journal of Government and Economics*, Volume 3, Autumn 2021, <https://www.sciencedirect.com/science/article/pii/S2667319321000203#:~:text=We%20need%20the%20government%20to,system%20for%20the%20digital%20economy>

Country	Institutions	Description
Rwanda	The Ministry of Information, Communication Technology and Innovation	Monitoring and evaluating the implementation of national policies, strategies, and programs to promote technology and communication, developing and disseminating policies, strategies and programs for ICT and innovation.
	Rwanda Information Society	Mandated to plan and coordinate the implementation of national ICT for development agenda.
	Rwanda Utilities Regulatory Agency	Regulates telecommunications, information technology, broadcasting and converging electronic technologies including the internet and any other audio-visual information and communication technology.
	Rwanda Revenue Authority	Revenue collecting body for the Rwanda government.
Burundi	Ministry of Communications and Information Technology and the Media	Responsible for ICT implementation, ICT/telecommunication regulation, freedom of the press, regulation of the press and human rights and implementing ICT strategic plan.
	The Executive Secretariat for Telecommunications, Information and Communications	Coordinate and monitor all projects and programs aimed at the implementation of the National ICT Policy in Burundi.
	The Telecommunications Regulatory and Control Agency	Control and regulation of the telecommunications sector and to enforce related regulations.
	Burundi Revenue Authority	Revenue collecting body for the government.
EAC	The East African Science and Technology Commission (EASTECCO)	One of the key objectives' entails promoting the development, adoption and utilization of ICT, and adoption of new and emerging technologies.



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