

**KENYA'S EFFORTS AND CHALLENGES IN DEVELOPING INTERNET
IN KENYA – BY MR. CHARLES NJOROGE, DIRECTOR-GENERAL,
COMMUNICATIONS COMMISSION OF KENYA (CCK) DURING THE
WORKSHOP FOR AFRICAN POLICY MAKERS AND REGULATORS ON
INTERNET GOVERNANCE HELD IN MAURITIUS ON 17TH – 19TH
MARCH 2009**

**Mr. Akossi Akossi
Secretary-General, ATU,
Mr. Trilock Dwarka,
Director-General
ICTA, Mauritius
Mr. Alexander Ntoko,
ITU Representative,
H.E. Jean Pierre Onvehoun Ezin,
AU Representative,
Dr. Paul Twomey,
CEO - ICANN
Distinguished guests
All protocols observed,
Ladies and Gentlemen,**

It is indeed a privilege to represent my country in this important meeting and to share our experience in developing the Internet in Kenya. I wish to thank the event organizers namely, the African Telecommunications Union (ATU) and the Internet Corporation for Assigned Names and Numbers (ICANN), for this opportunity and for putting up a workshop on this topical subject. I also wish to commend the Government and the people of Mauritius for the good reception and outstanding hospitality extended to us since our arrival here.

The goal set out in the theme of this workshop, namely, “A ccTLD for Every Country in Africa”, is not only fitting but indeed long overdue. I say this because country code Top Level Domains (ccTLDs) have assumed unprecedented significance the world over as a result of the explosion of the Internet, and the recognition of the Internet as a key tool for development. Although Internet penetration in sub-Saharan Africa has remained fairly low compared to other regions of the world, most governments in the continent are now putting in place the requisite interventions to ensure that a higher proportion of their populations enjoy the benefits associated with access.

As these interventions begin to bear fruit and the penetration of the Internet expands in the region coupled with the near-saturation of generic domains, African countries will have limited options besides focusing their attention on the issue of re-delegation of ccTLDs. I consider the good turnout to this workshop as a clear indication of this paradigm shift. I am positive that countries that are grappling with the issue of repatriating the management of their ccTLDs will seize the opportunity presented by this workshop to learn from those that have successfully done so. Kenya has been managing its ccTLD for the last Seven (7) years and we are open to share our experience during the course of this workshop.

Ladies and gentlemen, the development of the Internet in Kenya took place in three broad phases. The first phase, which ran from 1990 to 1998, coincided with the pre-liberalization era, and witnessed the introduction of the Internet in the country largely by Kenyans returning from studies overseas, Western expatriates, and personnel of Inter-governmental Organizations and NGOs. Commercial ISPs entered the Internet market by the mid 1990s, primarily offering dial up and content services. The early adopters of the Internet included import/export sector, industries with overseas clients and the academic sector. Most of the Internet users then were confined to the Capital City, Nairobi. As the number of ISPs and Internet users increased, the need for an Internet backbone became evident and the defunct Kenya Posts and Telecommunications Corporation established one in 1998. The key challenges in the 1990s included limited and high cost of international Internet bandwidth; the high cost of both dial-up and domestic leased lines; the limited penetration of PCs; lack of policy and regulatory environment; and the lack of appropriate IT skills.

The second phase of Internet development in Kenya took place from 1999 to 2004. This phase can be broadly described as the first stage of liberalization. In 1999, the Government of Kenya restructured the communications sector with a view to introducing competition and to pave way for private sector participation. As a result, an independent ICT sector regulator, the Communications Commission of Kenya (CCK), was established to spearhead sector reform. Although the newly established regulator moved with commendable speed to liberalize the communications sector, including licensing a sizeable number of ISPs, the grant of a five-year exclusivity to the incumbent telecommunications operator in the provision of various services including Internet bandwidth had a distortionary effect on the Internet and other markets as the cost of bandwidth and other allied services remained unchanged. As a result, the number of regular internet users in Kenya remained below the 500,000 mark by 2004.

A number of positive developments, however, took place during the second phase. The most notable were the establishment of an Internet Exchange Point (IXP) by the private sector and the successful re-delegation of the administration of dot KE ccTLD through a public private partnership. The latter achievement was quite important as it sent reverberations throughout the entire Eastern African region by spurring renewed interest in the repatriation of the administration of ccTLDs.

Ladies and gentlemen, the lapse of Telkom Kenya's exclusivity in June 2004 marked the grand entry of the third phase of Internet development in Kenya. The ICT industry had been anxiously waiting for the lapse of the exclusivity to have a share of the services hitherto reserved for the incumbent. In keeping with the existing law and market demands, the sector regulator unveiled the post-exclusivity regulatory framework. The most notable features of the post-exclusivity regime was introduction of competition in all business segments previously reserved for the incumbent, including internet backbone, Voice over IP, satellite and international voice gateway services. In addition, the regulator expanded competition in the cellular mobile telecommunications market from two to four networks, triggering off the deployment of a wide range of innovative products and services, including mobile Internet and a host of value added services.

As a result of this new wave of reforms, coupled with increase in the penetration of PCs and in the level of IT skills, the number of regular Internet users in Kenya increased to the region of 3million out of a total population of 35 million. The increase was also driven by the introduction of e-government services and increased computerization of government offices. Internet penetration in Kenya today lags behind other ICT services at close to 10 per cent, which is still below the uptake of mobile telephony services at 16million subscribers today.

The Government of Kenya has identified ICTs as one of the key drivers of attaining Vision 2030, which aims at transforming the country to a fast developing economy. The sector has also been earmarked for creating new jobs for the youth through the development of a vibrant Business Process Outsourcing industry. To this end, the Government is spearheading the development of critical national and international broadband backbone infrastructure with a view to reducing the cost of international bandwidth in the country. The deployment of national broadband fibre optic connectivity to all district headquarters is ongoing and shall be completed next month to take advantage of the three sub-marine cables competing to land at our coastal city of Mombasa by mid this year. One of the cables, the East African Marine System (TEAMS), is a public private partnership with the Government's shareholding limited to only 20 percent.

The completion of these infrastructure projects is expected to lower the cost of Internet access and thus spread the digital dividends to a bigger proportion of Kenyans. The projects will also make e-government a reality in the country.

Ladies and gentlemen, lack of relevant local content in local languages remains one of the key challenges in the uptake of the Internet in Kenya. To address this constraint, the Government has enacted a new legal framework that will facilitate the establishment of a Universal Access Fund. The Fund will be used partly to finance, among others, the development of local websites and local content in order to increase the utility of Internet among the public and thus increase local traffic to the Net. The new legal framework has also developed a conducive environment for the development of e-commerce in the country, which again will play a key role in putting the Internet to the service of Kenyans.

To ensure that low penetration of PCs no longer hampers ICT access, the Government in collaboration with universities and the private sector is spearheading the local assembly of low-cost PCs. The proto-types have already been developed and plans are underway to start mass production for use in schools and colleges.

As I conclude, I wish to note here that the Government shall continue to explore other mechanisms to ensure that the penetration of the Internet matches that of the mobile. With increased competition in the mobile telecommunications market, and the ever-decreasing rates of voice call rates, the mobile handset offers a new frontier for expanding the penetration of Internet services. As I speak, a number of mobile companies are providing 3G mobile Internet services at very competitive rates. With the recent adoption of the Unified Licensing Regime, I have no doubt that Kenya should have close to 50 per cent Internet penetration by 2013.

Thank you for your attention.