



**ESWATINI
COMMUNICATIONS
COMMISSION**

ANNUAL REPORT 2022

CONNECTING TODAY FOR TOMORROW

VISION

To be a dynamic regulator of communications services in Eswatini that facilitates the delivery of affordable, sustainable and quality services.

MISSION

To derive maximum socio-economic benefits for all Eswatini from ICTs through the effective regulation of telecommunications, broadcasting and postal services in Eswatini.



Integrity



Transparency



Teamwork



Accountability



Innovation

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CORPORATE INFORMATION

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Eswatini Communications Commission

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www.esccom.org.sz

Auditors

SNG Grant Thornton

LEGISLATIVE MANDATE

The Eswatini Communications Commission (ESCCOM) is the regulatory authority for the information and communication technology sector in Eswatini. The Commission was established in 2013 by the Eswatini Communications Act, No 10 of 2013, to licence and regulate telecommunications, radio communications, broadcasting and postal services in Eswatini. The Commission will play a critical role in the management and development of Eswatini's ICT sector. Through the Act, ESCCOM is mandated to carry out, among other things, the following:

a.

regulate and supervise the operation of electronic communications networks and the provision of electronic communications service in Eswatini, including the regulation of data protection in electronic communications;

b.

regulate and supervise the provision of postal service and electronic commerce;

c.

regulate and supervise the provision of radio and television broadcasting services and the content of those services;

d.

promote the development of innovative, secure, modern and competitive communications infrastructure and the delivery of related services;

e.

ensure freedom of provision of communications services and further ensure that those services are not limited, except when strictly necessary;

f.

ensure a wide range and variety of communications services;

g.

ensure that all communications services are provided in a manner that will best promote economic and social development;

h.

ensure non-discrimination and equality of treatment in all matters under the remit of the Commission;

i.

promote efficient management and human resource development within the communications industry;

j.

promote the interests of end-users and licensees as regards the quality of all communications services and equipment within the remit of the Commission;

k.

administer certain aspects of the Competition Act, 2007, as they relate to the sectors regulated by the Commission; and

l.

administer certain aspects of the Fair Trading Act, 2001, as they relate to the sectors regulated by the Commission.

BOARD OF DIRECTORS



Bheki Ndzinisa
Acting Chairperson



Mvilawemphi Dlamini
Chief Executive



Khethiwe Alexander
Board member



Bongwiwe Dlamini
Board member



Mlungisi Dlamini
Board member



Senzo Hlatshwayo
Board member



John Mathwasa
Board member



Ozzie Thakatha
Company Secretary

EXECUTIVE MANAGEMENT



Mvilawemphi Dlamini
Chief Executive



Fikile Gama
Chief Financial Officer



Lindiwe Malaza
Director: Support Services



Thulani Fakudze
Director: Technical Services



Lindiwe Dlamini
Director: Strategy and
Economic Regulation



Ozzie Thakatha
Director: Legal and
Compliance



Mbongeni Mtshali
Director: Universal
Service Obligation Fund

CHAIRPERSON'S STATEMENT

Bheki Ndzinisa
Acting Chairperson



It is my pleasure to present the Eswatini Communications Commission 2021/2022 Annual Report. We are all aware that the reporting period was a period when the whole world was still fighting to free itself from the tentacles of COVID-19. During this period, however, we witnessed an increase in economic activities as containment measures for the COVID-19 pandemic were progressively relaxed and daily new infections trend downwards. The COVID-19 pandemic has fundamentally changed the business environment in which we operate, and we have to constantly anticipate, adjust, adapt and strategise in response.

On behalf of the Board, I am proud to present a report that is full of significant milestones covered by the Commission this year. The nature of the regulatory mandate of the Commission is such that when certain milestones have been achieved, they speak for themselves as the impact can be attested to by consumers of the services regulated as well as the service providers. One of the core mandates of the Commission is to ensure universal access and service to ICTs and electronic communication services by all Emaswati. Achieving universality of anything is one of the most daunting tasks. However, I am happy to report that a number of universal service and access programmes were carried out during this period, including specific focus on people living with disabilities and the elderly. The report will highlight the specific projects undertaken towards assisting children living with disabilities. This was an effort by the Commission to ensure that people living with disabilities are not left behind in the quest to advance digitisation and bridge the digital divide. During this period, the Commission continued expanding network in underserved areas and also upgrading 2G sites to be compatible with current technological development, resulting in the expansion of broadband services in the underserved areas through the provision of LTE.

Eswatini had been perceived as one of the countries with high communication costs in the region. The irony of the communications sector is that while other costs such as fuel, utilities and food are increasing across the world, communications regulators are entrusted with the onerous duty to reduce communication costs. The Commission has not faltered in this duty as over the last six years, significant strides have been taken to reduce the cost to communicate through a number of programmes. The report will highlight the different initiatives that the Commission has undertaken during this reporting period to reduce the cost to communicate and also highlight the

country's current standing when compared with other countries within the region. I am proud to report that when I look at the picture six years ago and this reporting period, cost of communication has significantly reduced.

During this period, the Commission also focused on the broadcasting sector by engaging in a number of capacity building initiatives in an effort to ensure that the sector is elevated to acceptable standards of broadcasting. With the licensing of existing broadcasters came the obligation to adhere to certain technical and regulatory standards and the introduction of new ways of providing the service. Enforcement of these standards required strict monitoring of broadcast services, and I am happy to mention that investments have been made to purchase the necessary monitoring equipment. We remain hopeful that the Broadcasting Bill will soon be passed into law so that the Commission may be in a position to licence new players in this sector.

Another sector that has been on the Commission's radar this period was the postal and courier service regulation. This sector was a virgin sector and generally unregulated. I am happy that the report will indicate the specific activities undertaken in this sector including the development of the Postal and Courier Licensing Guidelines.

One of the most highlights of this reporting period was the promulgation of the Data Protection Act, the Electronic Communications and Electronic Transactions Act as well as the Cybercrime and Computer Crime Act, 2022. The Board has noted that these pieces of legislation confer an additional mandate on the Commission and extends its scope of regulation. For instance, the Data Protection Act designates the Commission as the Data Protection Agency responsible for administration of the statute. We have noted that these laws will need additional resources and we have no doubt that the Commission will deliver on its additional mandate.

CHAIRPERSON'S STATEMENT

continued

Additionally, the other significant highlight of this period was the sod-cutting marking the start of the construction of ESCCOM head office in Ezulwini. As the Board we are proud that the Commission will soon have a permanent home easily accessible to stakeholders and the general public.

I would like to congratulate the Board Management and staff of the Commission in that even this year the Commission has maintained a clean audit report. This is an indication of proper management and entrenched corporate governance principles as well as compliance to statutory and regulatory obligations.

May I pay homage to the Board Vice-chairman, Mr Polycarp Dlamini, whose tenure came to an end during this period. We thank him for serving the Commission with diligence and professionalism throughout his tenure.

As I conclude, may I extend the Board's gratitude to the Minister of ICT, Her Royal Highness Princess Sikhanyiso, for her wisdom and guidance to the Board and for trusting us that we can steer the Commission towards fulfilling its mandate.



Bheki Ndzinisa

Acting Chairperson

CHIEF EXECUTIVE'S REPORT

Mvilawemphi Dlamini Chief Executive



As the waves of the COVID-19 pandemic continued to ravage human life, operations and the performance of organisations and governments alike, suffered and the Commission was not spared. At this point it was the uncertainty of what to expect that made proper planning difficult, resulting in changes needing to be made to set Annual Operational Plans. Innovative strategies had to be employed to ensure that the planned activities for the year under review were carried out and achieved.

CHIEF EXECUTIVE'S REPORT

continued

Proverbially, it is said that there is a silver lining in every dark cloud. This has held true with the ICT sector, which has emerged resilient amid unprecedented demand for connectivity during the Covid-19 period. The electronic communications sector continued to reap positive gains despite the negative impact of the pandemic, attributed to the sustained increase in demand for digital services. Connectivity continued to facilitate business continuity in the private and public sectors, from the work from home and online learning approaches adopted. It is anticipated that post-pandemic, the adoption of digital services by governments and organisations will continue to grow, due to an observed shift in attitudes, behaviours and skills of both consumers and organisations.

The government of Eswatini has been persuaded to envision digital transformation in service provisioning going forward. The Ministry of ICT in collaboration with ESCCOM embarked on the Digital Eswatini initiative. The programme aims to interconnect Emaswati, through the deployment of technology in an unprecedented manner to ensure that the entire government ecosystem is digitally connected. Likewise, the Ministry of Education has commenced with plans to digitise the country's education curriculum in support of the blended learning programmes adopted to counter limitations of face-to-face interactions as witnessed at the height of Covid-19. In line with the government's initiative of one laptop per child, the Commission contributed 950 laptops that will be distributed to 20 schools across the country. In efforts to bring healthcare closer to the people, particularly the underserved communities, support was extended to the health sector which included enhanced connectivity and the donation of end-user devices.

To support the Kingdom's role as a regional hub for the African Continental Free Trade Area (AfCFTA), the sector needs to prioritise the deployment of network capacity and progressive policies necessary to enhance its role, as well as ensure the availability of resilient infrastructure and services to meet the growing demand for data connectivity, accessibility to high-quality services at reasonable prices for all Emaswati at all times. In this regard, Disaster Recovery guidelines were issued during the year under review, in an effort to ensure access to services and internet availability.

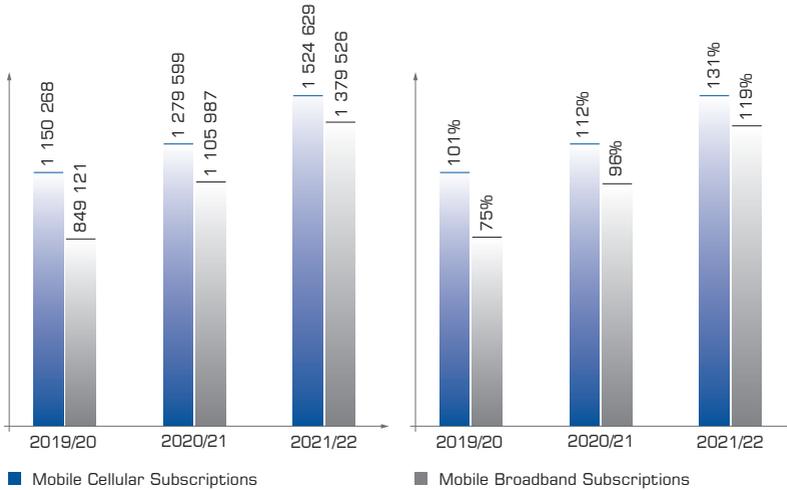
The Commission undertook a first of its kind, Eswatini ICT Access and Use Survey (ICTAUS) in collaboration with the Central Statistics Office (CSO). The survey aimed to gather comprehensive and up-to-date demand-side ICT data in Eswatini. This will provide key statistical information that is essential in monitoring key performance indicators of the Information and Communications Technology (ICT) market, namely level of access and usage of ICT by households and individuals (including people living with disabilities), affordability, ICT skills, user satisfaction and perception of quality of ICT services in Eswatini.

Due to the magnitude of the study, it will be undertaken over two (2) reporting periods, thus the findings will be made available to all stakeholders in the next reporting period.

Telecommunications market performance

In the period under review Mobile subscriptions grew by 19% from 1 279 599 to 1 524 629, consequently market penetration increased from 112% to 131%. Mobile broadband connectivity also increased from 1 105 987 to 1 379 526, an increase by 25%. Mobile broadband penetration increased from 96% to 119%.

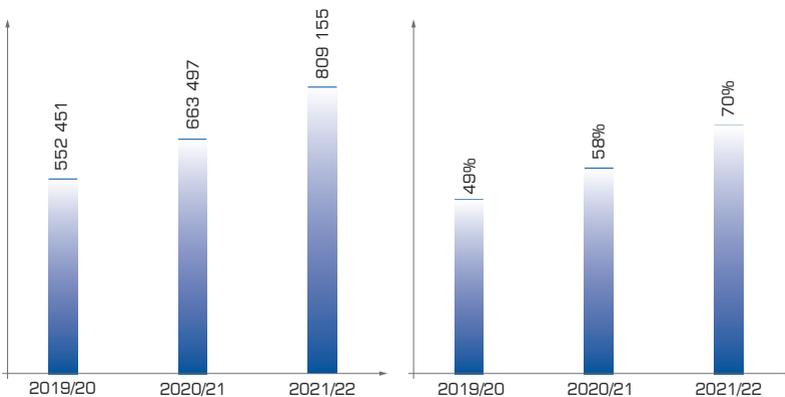
Figure 1: Mobile subscriptions¹ and market penetration²



Source: ESCCOM, 2022

Mobile smartphones connected on mobile networks in Eswatini increased from 663 497 to 809 155 smartphones, as a result mobile smartphone penetration increased from 58% to 70% in the period under review.

Figure 2: Mobile smartphone connectivity and penetration



Source: ESCCOM, 2022

¹ Mobile cellular subscription numbers revised after data validation.

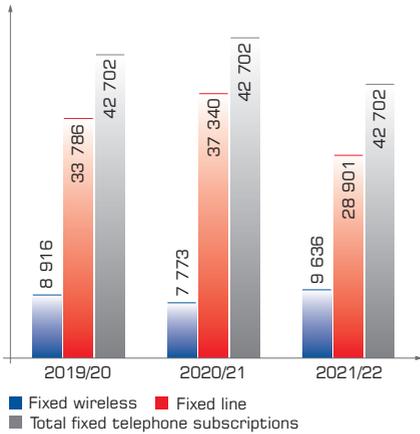
² Market penetration estimates revised and calculation based on 2017-2038 Population Projections based on the 2017 Eswatini Population and Housing Census, population in 2020, 2021 and 2022 estimated at 1 146 903, 1 160 362, and 1 174 014, respectively.

CHIEF EXECUTIVE'S REPORT

continued

Fixed telephone subscriptions declined by 15% from 45 113 to 38 537. This decline is attributed mainly to a decline in fixed wired telephone line connections. Fixed wireless telephone connectivity, on the other hand, increased by 24% from 7 773 subscriptions in 2020/21 to 9 636 in 2021/22.

Figure 3: Fixed telephone subscriptions

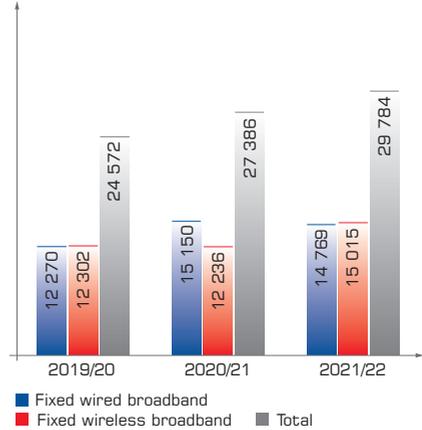


Source: ESCCOM, 2022

Internet

Fixed internet connectivity continues to follow an upward trajectory increasing by 9% from 27 386 to 29 784. This growth is mainly driven by fixed wireless internet connectivity, wireless internet network technology being an emerging technology in the telecommunications market in Eswatini which was previously dominated by ADSL-copper connectivity. In the period under review, fixed wireless internet connections grew by 23% from 12 236 to 15 015 surpassing fixed wired connections which declined by 2.5%.

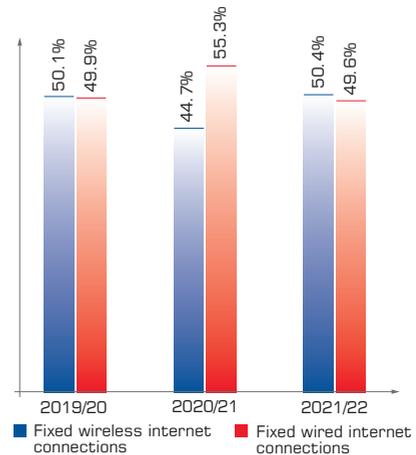
Figure 4: Fixed internet subscriptions



Source: ESCCOM, 2022

There was an observed shift in market share from fixed wired internet services towards fixed wireless internet service providers, reverting to market share levels observed in FY 2019/20. This is attributed to an observed increase in fixed wireless connections reported by MTN, Real Image and Jenny Internet in the review period.

Figure 5: Fixed internet subscriptions market share by technology



Source: ESCCOM, 2022

Consumer protection

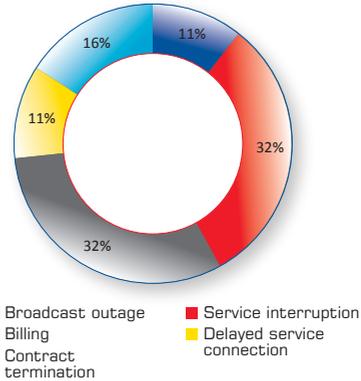
The Commission has a responsibility to empower consumers of ICT products and services, promote the interests of end-users and protect consumers, particularly vulnerable groups, from exploitation, abuse and harm by providers of ICT services. As we navigate the digital space, we are confronted with new challenges where there is a need to not only ensure high broadband quality at affordable prices, but to also protect consumers from cybercrime and threats, and the requirements for heightened data protection measures have become urgent.

Complaints resolution

In the process for service provision, disputes often occur between the service provider and the consumer, thus requiring intervention by the Commission. As such, the Commission has developed a mechanism to investigate complaints filed by end-users of electronic communication, broadcasting as well as postal and courier services. These complaints are received through various communication channels and are actioned in line with the established consumer complaints handling procedure. This service is offered free of charge to all consumers.

In the year under review, the Commission received a total of 19 complaints against service providers, mainly in the telecommunications sector. The majority of these disputes were related to billing and service interruption, shown in figure 6, and were all resolved following engagements with the cited operators.

Figure 6: Consumer complaints



Source: ESCCOM Data, 2022

An online complaints handling procedure is available on the Commission's website to guide consumers on how to lodge their complaints. These complaints can be submitted online, telephonically, and in writing by post.

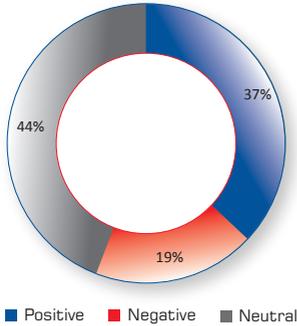
Media sentiment tracking

The Commission aims to drive and maintain a high percentage of positive, educational and informative coverage on all media platforms. Media coverage of content related to the Commission is actively monitored, to determine any communication gaps and identify communication opportunities to influence brand perception and image. During the year under review, media sentiment tracking revealed a neutral public perception of the Commission. The majority of news coverage was a by and large reports from ESCCOM initiated events and activities, as indicated in figure 7 on page 14.

CHIEF EXECUTIVE'S REPORT

continued

Figure 7: Media sentiment tracking for the 2021/22 FY



Source: ESCCOM, 2022

The surge in digital transformation and adoption of digital solutions heightened the need for legal frameworks that seek to regulate the use of digital infrastructure and enhance consumer protection. During this reporting period, Parliament passed three (3) legislations. These are the Data Protection Act, The Electronic Communications and Transactions Act and The Computer Crime and Cybercrime Act. The expansion of the mandate as extended by these Acts, places an enormous task on the Commission, which requires both institutional technical and financial capacity.

In the coming year, the Commission will commence the process of operationalising the Acts, and developing the requisite supporting regulatory instruments, as well as engaging the human capital to resource the functions.

ESCCOM building project

The Commission's project to construct an office building at Ezulwini is progressing well, despite challenges experienced at the beginning. The project, earmarked for completion in May 2023, seeks to provide a conducive work place environment that promotes knowledge transfer, collaboration, communication and productivity. Construction Associates (CA) was appointed as the contractor to undertake the main construction

works, together with other nominated sub-contractors. As at 31 March 2022, considerable progress (estimated at 21%) had been achieved. With an accelerated programme to take advantage of the dry season during the next few months, it is hoped that the majority of the project works will be undertaken during the first and second quarters of the coming financial year.

The coming financial year looks set to be a busy period. The expansion of the ESCCOM mandate as a result of the newly enacted legislation coincided with the development of the next five-year Organisational Strategy (2024 – 2028). The finalisation of the National Digital Strategy, which will map out the National Digital Agenda for the next five years will also need to be developed. There is a need to elevate the promotion of consumer interests in keeping with the provisions of legislative frameworks. The Government's intention of merging parastatals is yet another development that the Commission will need to consider and prepare for once determined. This may result in the need for restructuring of organisational functions, institutional development programmes and workplace wellness programmes, to facilitate staff adaptation to the new environment.

I would like to thank the Ministry of ICT for the unwavering support afforded to ESCCOM in the execution of the mandate, the Board of Directors for their tenacious guidance, which is key to the execution of the task at hand. The staff of ESCCOM for their determination and diligence which enables us to move closer to the attainment of the organisation's Vision and Mission.

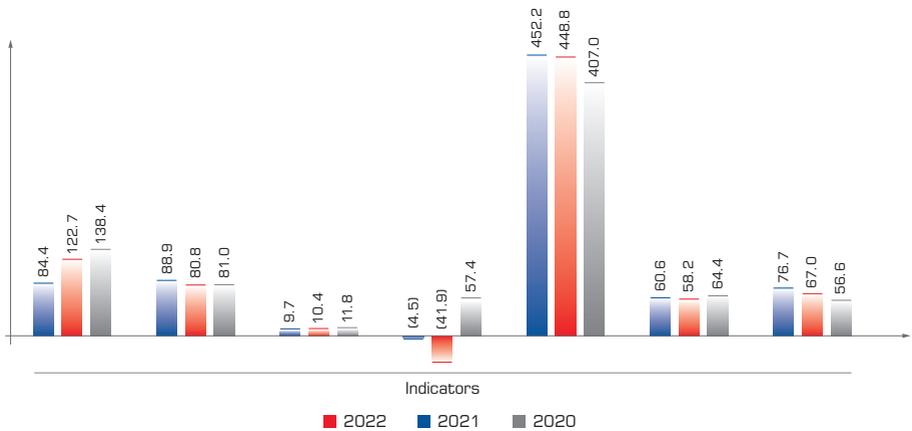
Thank you.

Mvilawemphi Dlamini
Chief Executive



FINANCIAL PERFORMANCE AND HIGHLIGHTS

Figure 1: key performance indicators



Financial key performance indicators

	2022 E million	2021	2020	2019	2022/21	2021/20	2021/19
		E million			% variance		
Income	84.4	122.7	138.4	128.9	(31)	(54)	(44)
Utilised for operations	88.9	80.8	81.0	62.8	10	8	26
Surplus for the year	9.7	10.4	11.8	8.8	(7)	(2)	1
Designated funds transfer	(4.5)	(41.9)	57.4	66.0	(89)	(62)	(70)
Total assets	452.2	448.8	407.0	313.6	1	45	139
Current liabilities	60.6	58.2	64.4	39.7	4	(4)	21
Accumulated reserves	76.7	67.0	56.6	45.3	15	20	31

FINANCIAL PERFORMANCE AND HIGHLIGHTS

continued

Sources of revenue

Annual licence fees

The Commission's income is comprised mainly of mobile licence fees, spectrum fees, type approval and renewal fees. During the financial year 2021/2022 the Commission earned E84.4 million. The main source of revenue is based on 5% levied on the net operating income of mobile network operators (MNOs), as well as the 2% levied on the net operating income of internet service providers (ISPs). These fees are used to fund the cost of regulation.

Interest income

Interest is earned from the Commission's investments. Long-term investments consist of Government bonds, whereas short-term investments are money markets at various institutions. Interest income is reported at E10.2 million.

Expenditure

The total accumulated expenditure for the period is reported at E93.98 million. Included in this amount is the Commission's contribution to the Universal Access and Service Fund amounting to E15 million. In addition, E700,000 was contributed to purchase equipment for ESwatini Television Authority (ESTVA) and E500,000 was contributed to purchase equipment for Eswatini Broadcasting and Information Services (EBIS).

Surplus

The surplus for the year is reported at E9.7 million.

Total assets

During the year under review the Commission has successfully grown its total assets from E449 million to E452 million.

Asset under construction

To date, the Commission has spent E69.9 million on the new office building project. The total cost is estimated at E188.8 million.

Investments

E40 million investment in bonds was made in an effort to assist government in alleviating the economic fiscus at the time the investments were made. The first E20 million bond earns interest at 9% per annum and will mature in August 2023. The second E20 million bond earns interest at 9.85% per annum and will mature in August 2026.

Other investments as at 31 March 2022 amount to E101 million. These investments are short term in nature and are held with Stanlib Swaziland (Pty) Ltd, African Alliance Eswatini Management Company Ltd, Status Capital Building Society, Aluwani Fund Managers and Old Mutual Investment Group (Eswatini) Pty Ltd.

Designated funds

Designated funds represent licence fees earmarked for future projects of the Commission. Cost incurred on these projects are subsequently transferred to capital reserves. The capital reserves are amortised in line with the useful lives of the underlying assets.

Liquidity

The Commission's cash resources are held to meet prudential liquidity targets and the liquidity levels enable the Commission to respond effectively to changes in cash flow requirements.

The overall financial structure of the Commission shows a healthy year-on-year improvement.



CHALLENGES

Delayed payment of outstanding licence fees

To this day the Commission is still affected by delayed payment of outstanding debt from some operators.



FUTURE OUTLOOK

Revenue

The COVID-19 pandemic has not had a direct bearing on the financial results of the Commission. A significant change in revenue is not anticipated.

Operating expenditure

Operating costs are expected to match the level of activity within the organisation.

Capital expenditure

The Commission has commenced work on the corporate office building which is expected to be completed in 2024.





TECHNICAL SERVICES

Technical Services is responsible for the development and implementation of technical policy and regulatory decisions and instruments in accordance with the ESCCOM Act, including telecommunications, broadcasting and postal sectors as well as the management of radio frequency spectrum and numbering resources.

During the current reporting period, the work of the Commission has been largely focused on providing an enabling environment for promoting the development of regulated sectors and entities. With the increasing role of ICTs in the country's socio-economic landscape and increasing presence of Emaswati online, safety, security and protection of citizens' participation online became one of the key focus areas for the year.

Key achievements along ESCCOM's strategic focus areas for the year are summarised as shown in the figure below:

A. CONDUCTIVE ENVIRONMENT

Elaboration and implementation of policy and regulatory frameworks: Development and publication of spectrum licensing guidelines; National Digital Strategy Development; Development and implementation of broadcasting content monitoring guidelines;

Ensuring efficient management of scarce resources: Review of the Fixed Services and International Mobile Telecommunications (IMT) Frequency Band Plans; Restoration of Eswatini Satellite Orbital Slots; Conducting Radio Frequency Spectrum Usage Monitoring;

Country representation in international forums: ITU, Universal Postal Union, African Telecommunications Union and Pan-African Postal Union

B. CONSUMER PROTECTION

Quality of Service Monitoring (Telecommunications, Postal and Broadcasting); Equipment type approval; Compliance monitoring and inspections; Implementing cybersecurity awareness plan

KEY FOCUS AREAS AND STRATEGIC GOALS

C. ORGANISATIONAL CAPACITY

Automation of ESCCOM processes: implementation of ERP system; spectrum licensing and type approval; counterfeit devices checking system; implementation and supervision of ESCCOM construction

D. INFRASTRUCTURE, SERVICE AND MARKET DEVELOPMENT

Development and implementation of Infrastructure Sharing Guidelines; Development and publication of Business Continuity and Disaster Recovery guidelines for the ICT sector; Implementation of National Cybersecurity Strategy; implementation of the .szccTLD framework; Operationalisation of postal services guidelines and licensing of postal services providers; Coordination of National Addressing Project

Achievements for the year

Radio frequency spectrum management

The Commission is tasked with ensuring the efficient use of Radio Frequency Spectrum resources in the Kingdom of Eswatini. This is done by effectively engaging in spectrum management initiatives which include spectrum planning and licensing, spectrum monitoring, spectrum usage audits as well as updating the Spectrum Management Framework to align with national policy initiatives and international best practices. In addition to this, the Commission further collaborates with regional and international stakeholders to ensure that all issues related to spectrum management are addressed on behalf of the Kingdom of Eswatini. Furthermore, the Commission through spectrum management ensures that communications service providers are supported and enabled so that they bring innovative services which promote the advancement of ICT services in the country. This includes the awarding of technology and service neutral spectrum licences to communications service providers in the country. In line with these initiatives and in accordance with the Electronic Communications Act and Radio Communications and Frequency Spectrum regulations, the Commission carried out the following activities:

Spectrum planning

Review of the Fixed Services band plan

The Commission, after the final acts of the WRC-19, published a reviewed band plan for Terrestrial Fixed Services bands which gives channeling structure for all bands currently allocated to fixed services while incorporating the changes from the WRC. It also outlines the currently assigned spectrum and also recommends steps to be taken in order to ensure that all assignments are according to the proposed band plan. This is an initiative which is meant to promote the efficient use of spectrum in the fixed services eliminating

interference. The band plan was issued for public consultation where we received a few comments before it was finalised for implementation. What is key in the band plan is that more spectrum was proposed for usage by internet service providers in the 6GHz band which will enable them to provide quality internet service to customers.

Review of the IMT band plan and roadmap

The Commission published a review of the IMT band plan and roadmap that outlines the process and timelines to be followed in making new spectrum bands available to existing and future service providers. This also includes channeling arrangements for assignments of IMT bands as well as future developments. This was necessitated by the additions and modifications which were introduced by the WRC-19. In accordance with the tenants of the Electronic Communications Act, the proposed channeling plan and roadmap are based on the principles of technological neutrality. The World Radio Conference in 2019 (WRC-19) introduced additions and modifications to the IMT bands. This document is therefore a review of the 2017 IMT roadmap that incorporates international and regional changes to the IMT spectrum bands in the period after it was published.

GE84 Plan Optimisation for Africa Project

Analogue FM is one of the highly utilised technologies for sound (audio) broadcasting across the globe, especially in the Africa region where there was an increasing demand for new channels in the FM band. The Geneva 1984 (GE84) plan was developed and is the one used for planning and management of the FM frequency assignments in the 87.5-108 MHz across the globe to ensure an efficient use of the band for analogue sound broadcasting.

TECHNICAL SERVICES

continued

The ITU Radiocommunication Bureau (RB) in collaboration with the African Telecommunication Union (ATU) initiated the GE84 plan optimisation project for Africa which was to review the GE84 plan entries, and corresponding entries in the Master International Frequency Register (MIFR), ensuring compatibility among the existing and new broadcasting frequency assignments, and then facilitate potential future introduction of digital sound broadcasting. The Commission was part of the GE84 Plan Optimisation for Africa Project from February 2021 to January 2022 and one of the main activities of this optimisation was the identification of assignments that do

not adhere to the technical requirements of the GE84 Agreement. The RB provided a list of violating assignments and the list was updated every fortnight in the form of iterations for the entire duration of the optimisation project. These violating assignments were then required to be coordinated among concerned administrations to ensure that no harmful interference occurs.

The result at the end of the project was an increase of the recorded assignments in the GE84 plan from 30% to 75%, the distribution of the recorded assignments before and after the project is shown in **Figure 1 and 2** below:

Figure 1: GE84 recorded assignments for Eswatini beginning of project

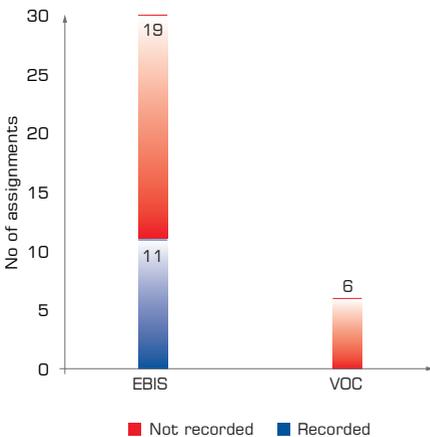
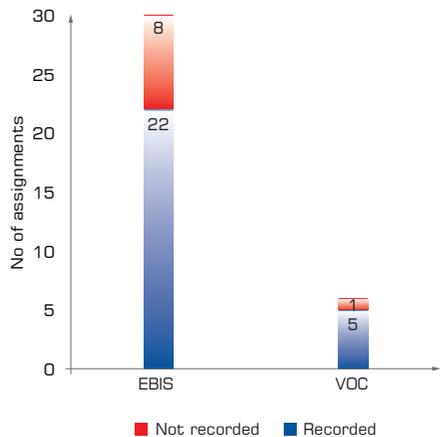


Figure 2: GE84 recorded assignments for Eswatini end of project



Eswatini satellite orbital slot restoration

At the World Radiocommunications Conference of 2019 WRC-19, the Kingdom of Eswatini was listed among the administrations which had degraded satellite orbital slots which meant that the country did not have a usable satellite slot for Broadcasting Satellite Services (BSS) as well as the Fixed Satellite Service (FSS). In consultation with stakeholders in international fora, the Commission initiated a process to acquire a new orbital slot

for the country in the BSS and we were able to make the initial submission to the ITU for this new orbital slot. After the submission, the Commission initiated an international coordination process through the ITU and has received agreements with all the countries. For the FSS, the Commission managed to negotiate with the Administration of Luxembourg to adjust parameters that will ensure that the FSS orbital slot is restored. The Commission will be presenting the proposals at the WRC-23 for approval by the ITU.

Spectrum licensing

The process of spectrum licensing enables the Commission to have sight of who is using which frequency channel in the country and ensuring that no user interferes with others as they provide communications services in the country. In that regard, the Commission developed and issued new spectrum licensing guidelines.

Spectrum licensing guidelines

Radio Frequency Spectrum licensing is an integral part of the work of the Commission, the main document that has been used in the past few years was the Electronic (radio frequency spectrum) regulations 2016. However, some gaps were identified which required that they are expanded on to provide more clarity. The regulations highlight the spectrum licensing process; however, they fall short on some issues such as licensing of

ESIMs, TV white spaces and drones among other issues. The Commission developed and issued the spectrum licensing guidelines that are meant to address the information shortcomings of the regulations and better package the spectrum licensing information to ensure that applicants know what to expect from the Commission when applying for spectrum licences. These guidelines were issued for public consultation and have been operationalised.

Spectrum licences issued

Table 1 provides a summary of spectrum assignments for the IMT services providers in the country. The Commission renewed spectrum licences for MTN Eswatini, Eswatini Mobile and Eswatini Posts and Telecommunications Corporation (EPTC). Other licences issued by the Commission are summarised in Table 2.

Table 1: Current IMT assignments in Eswatini

Band	Tech.	TOTAL BW.	Frequency range		TOTAL ASS. BW.	Bandwidth assigned		
			UP-Link MHz	DN-Link MHz		MTN	EMBL	EPTC
700MHz	FDD	30MHz	703 – 733	758 – 788	0MHz	–	–	–
800MHz	FDD	30MHz	832 – 862	791 – 821	30MHz	10MHz	10MHz	10MHz
900MHz	FDD	35MHz	880 – 915	925 – 960	30MHz	15MHz	15MHz	–
1800MHz	FDD	75MHz	1710 – 1785	1805 – 1880	60MHz	25MHz	20MHz	15MHz
2100MHz	FDD	60MHz	1920 – 1980	2110 – 2170	25MHz	15MHz	–	10MHz
2600MHz	TDD	50MHz	N/A	N/A	10MHz	–	–	10MHz
2600MHz	FDD	70MHz	2500 – 2570	2620 – 2690	0MHz	–	–	–
3500MHz	TDD	200MHz	N/A	N/A	0MHz	–	–	–

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Table 2: Summary of licences issued by 2022

Licence type	Issued to date	
Aeronautical aircraft station	10	Different licensees
Aeronautical ground station	1	Royal Eswatini National Airways Corporation
Amateur	2	Different licensees
PMR	4	Different licensees
VSAT	5	Different licensees
MES	1	Atlas Motors
IMT	3	MTN Eswatini Eswatini Mobile Eswatini Posts and Telecommunications Corporation
Sound broadcasting	2	University of Eswatini Voice of the Church
Microwave	3	Different licensees
TOTAL	31	

Radio frequency spectrum usage coordination

In order to ensure efficient utilisation of spectrum resources and limit cases of interference with neighbouring countries, a number of cross-border coordination engagements were held with the Republics of South Africa and Mozambique, represented by ICASA and INCM, respectively. These engagements and meetings were held largely as part of the Geneva 1984 (GE84) plan optimisation project, as well as developments and initiatives taking place in Mozambique for the establishment of new digital terrestrial transmitters for broadcasting services.

Radio frequency spectrum usage monitoring and inspections

Through the use of the Automated Spectrum Monitoring and Management System (ASMS), the Commission managed to fulfil its responsibility of ensuring that assigned spectrum resources are used in accordance with the existing regulatory frameworks and licence conditions. Monitoring activities were carried out across all key spectrum bands: International Mobile Telecommunications (IMT), Private Mobile Radio (PMR) as well as satellite communications, particularly bands used by Very Small Aperture Terminals (VSATs). While a large number of spectrum users across all these bands were found to be compliant with the requirements, a few were found to be non-compliant and operating without valid licences. In accordance with the spectrum licensing requirements, engagements with these users were held to ensure that they are compliant.

Technology and standards

In accordance with the Electronic Communications Act and the supporting regulations, ensuring that telecommunications services are provided in a manner that best promotes and represent the key role that ICTs are playing in the economy, as well as prioritising the safety and protection of consumers, is of utmost importance to the Commission. In recognition of this responsibility, the Commission carried out a number of activities during the reporting period, focusing on:

- Ensuring that telecommunications services, and the supporting infrastructure, are provided following laid down standards, including provisions set out in the Electronic Communications Type Approval Regulations;
- Telecommunications services, and the supporting infrastructure, are provided in a manner that meets set minimum requirements, as set out in the Quality of Service Regulations and licence terms and conditions;
- Promoting the protection, safety and security of citizens as they make use of electronic communications services, and equipment;

- Promoting the development of the telecommunications sector as well as improving the resilience of the sector.

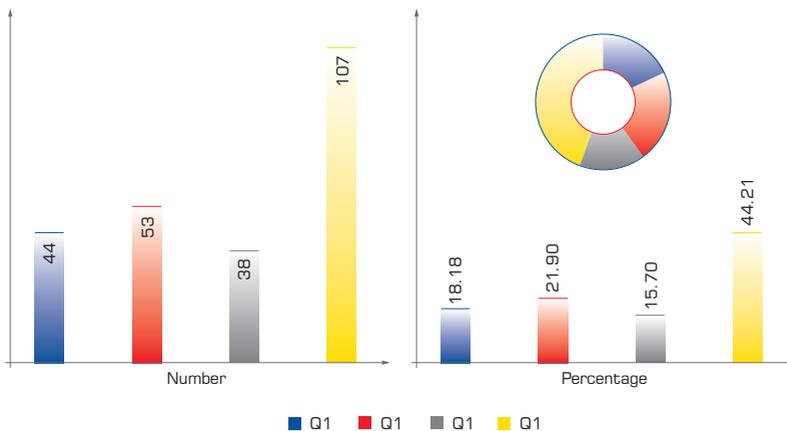
Accordingly, the following activities, aligned to the Commission’s mandate and five-year strategy, were carried out during the year:

Standards

Electronic communications equipment type approval

The Commission is charged with the responsibility to set standards and type approval of electronic communications equipment in the country, and ensuring compliance to the set standards. The purpose is to ensure safety and protection as well as ensuring that the quality and integrity of communications services is maintained through the use of quality end user communication terminal. For the reporting period, the Commission received two hundred and forty-eight (248) applications for processing. Of the 248, two hundred and forty-two (242) applications were successful and certificates issued and

Processed type approval applications



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four (4) applications which were left pending/unresolved or which process was not completed due to non-payment of applicable fees. For processed applications, 44 were processed in the first quarter (Q1), 53 in the second quarter (Q2), 38 in the third quarter (Q3) and 107 in the fourth quarter (Q4). The figure below summarily shows the distribution of processed applications in terms of numbers across all the quarters in the period under review:

Compliance inspection – market surveillance

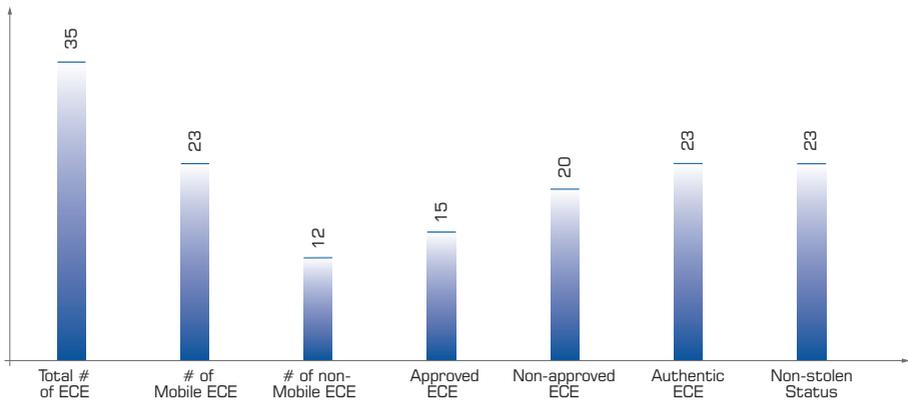
To ascertain the extent of regulatory compliance by importers and distributors of electronic communications equipment, ESCCOM has a duty to conduct market surveillance to follow up on compliance matters with respect to type of approval by carrying out inspections on

premises of dealers of electronic communications equipment.

An onsite inspection conducted on various dealers of electronic communications equipment yielded the following results and findings:

Inspected parameters	Number
Total number of electronic communications equipment (ECE)	35
Number of mobile ECE	23
Number of non-mobile ECE	12
Approved ECE	15
Non-approved ECE	20
Authentic ECE	23
Non-stolen status	23

Findings on inspected EC equipment



Of the 35 inspected electronic communications equipment, 23 were mobile devices (mobile phones and tablets) and 12 were laptop computers and network equipment (routers, access points). All types of electronic equipment combined had 15 equipment approved by ESCCOM with 20 of the equipment not approved. All mobile devices checked against the device check service showed that they are authentic with no history of being stolen.

Device check service

With the wide proliferation of counterfeit devices and increasing presence of stolen devices in the Commission, the Commission implemented a public facing user self-check system (web-based) used during the type approval inspection process to validate electronic communications devices' authenticity as well as verify if a user device has been reported stolen or lost/greylisted or blacklisted. The system, integrated to the Commission's website for public access, is meant to assist both the Commission staff and the general public to identify counterfeit devices before approval or purchase (by the public).

Electronic communications standards review

In an attempt to efficiently and effectively regulate the communications sector in Eswatini, the Commission made a proposal to the Eswatini Standards Authority (ESWASA) for the review and adoption of standards to be utilised during the type approval process. Subsequently, a committee to work on the standards was formed and discussions are underway and have seen some of the standards being approved by the committee. It is projected that the exercise will be completed by the turn of the current year. Below are the proposed standards:

- SZNS EN 301908-1/10/13/14/15/18/23/24/25 – Standard to ensure radio communications equipment under IMT cellular networks (user equipment, repeaters and base station) have the ability to limit spurious emissions.
- SZNS IEC 62368-1 – New safety standard for information technology equipment and audio/video equipment replacing EN 60950, EN 60905 and EN 60065. EN/IEC 60950-1 and EN/IEC 60065 – both cover electrical non-household products.
- SZNS IEC 62209-2528 – Standard to demonstrate the compliance of wireless communication devices with the basic restrictions and exposure limit values related to human exposure to electromagnetic field in the frequency range from 30 MHz to 6 GHz.

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Quality of service development

Quality of service for electronic communications service providers

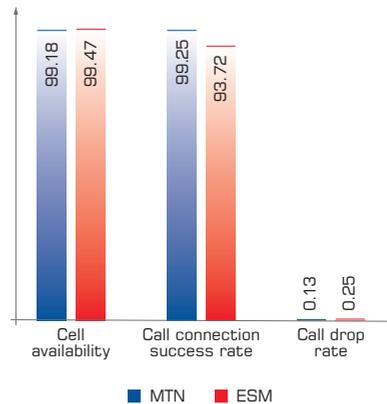
The Commission is also charged with the responsibility of ensuring that quality services are afforded to consumers of electronic communications services by service providers. In the reporting period, the Commission has in accordance with regulations benchmarked the network performance of mobile network operators.

The quality of service was monitored and evaluated for MTN Eswatini and Eswatini Mobile using an NMS. The performance of the two mobile telecommunications service providers was monitored and evaluated against Key Performance Indicators (KPIs) set out in the Electronic Communications (Quality of Service) Regulations. Specifically, the Commission in line with ITU-T recommendation and the regulations focused on four network KPIs for all technologies (2G, 3G and 4G/LTE) which are network availability, service accessibility, service retainability and service integrity using the following parameters. Henceforth, the exact KPIs measured and monitored were the following:

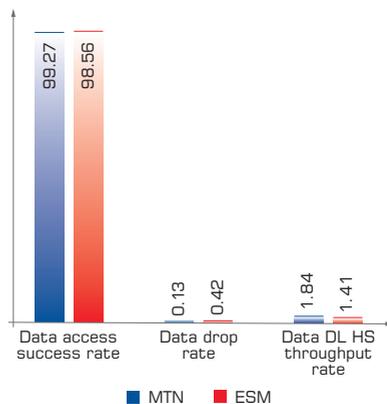
- **Network availability:** Cell availability
- **Service accessibility:** Call setup success rate (CSSR), Data access success rate (DASR)
- **Service retainability:** Call drop rate (CDR), Data drop rate
- **Service integrity:** Average user data throughput

The following illustrations are results obtained for the reporting period for the two mobile network operators, Eswatini Mobile and MTN Eswatini. Additionally, a comparison is drawn for their service performances for all technologies.

2G Voice KPIs

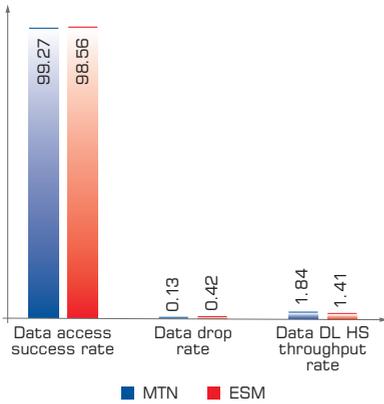


3G Voice KPIs

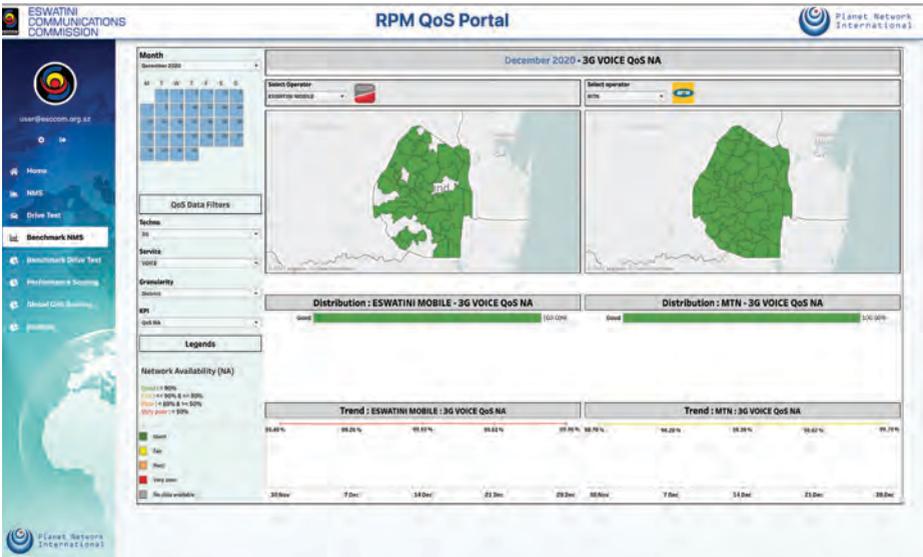
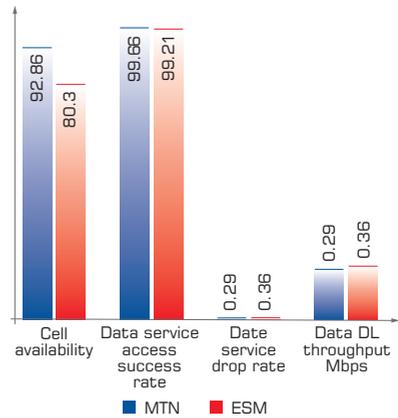


In all the key performance indicators monitored and evaluated, both service providers' performance was above the set thresholds for all the KPIs at national level except for data throughput on 3G for both operators. To note is that Eswatini Mobile has demonstrated an improvement in performance in all KPIs measured in comparison to results recorded in the previous year.

3G Data KPIs



4G/LTE KPIs



Screenshot of the RPM portal the Commission uses to monitor QoS Key Performance Indicators of mobile operators

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Drive test exercise

The Commission also embarked on an independent drive test exercise to try and complement the NMS to measure the quality of service and experience provided by mobile operators to their customers to assess the quality of service for voice and data in terms of the benchmarks as specified in the Electronic Communications (Quality of Service) Regulations, 2016 to be carried around the country. The exercise was conducted to cover various locations in Eswatini for routes defined by ESCCOM on the basis of several factors. The test results obtained from these drive tests were conducted to assess the network condition more specifically in terms of:

Voice KPIs

- Coverage signal strength
- Call set up success rate
- Blocked calls
- Call drop rate
- Mean opinion score (MOS)

Data KPIs

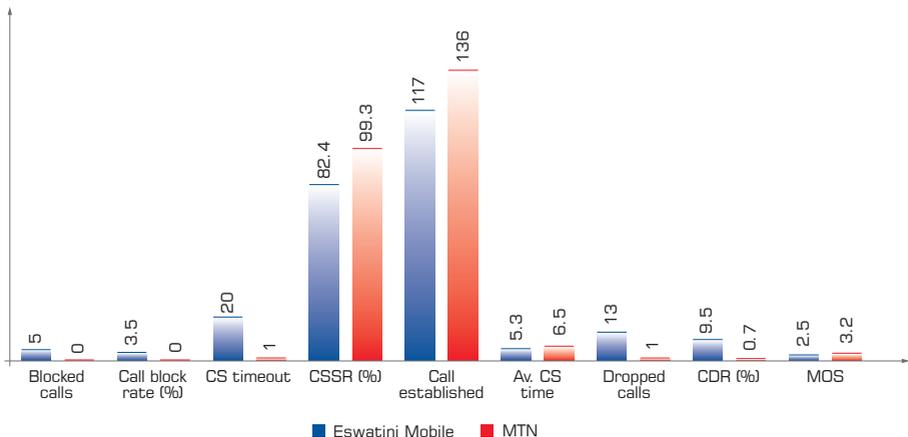
- Average throughput (downlink/uplink)
- Session success rate
- Webpage download time
- Video streaming delay
- Latency

The following are the overall performance results of the drive test exercise:

Overall voice performance

KPI	Eswatini Mobile	MTN
Blocked calls	5	0
Call block rate (%)	3.5	0
CS timeout	20	1
CSSR (%)	82.4	99.3
Call established	117	136
Av. CS time	5.3	6.5
Dropped calls	13	1
CDR (%)	9.5	0.7
MOS	2.5	3.2

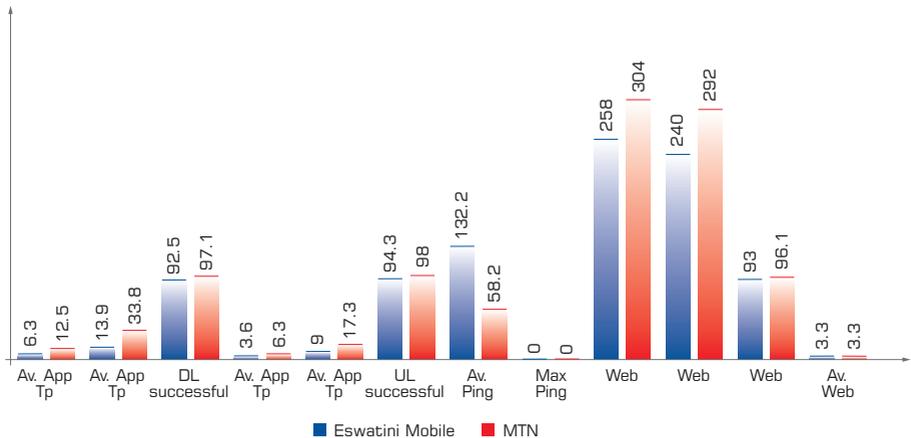
Overall voice performance



Overall data performance

KPI	Eswatini Mobile	MTN
Av. App Tp DI Mbps	6.3	12.5
Av. App Tp DL Mbps Max	13.9	33.8
DL successful session rate (%)	92.5	97.1
Av. App Tp UI Mbps	3.6	6.3
Av. App Tp UI Mbps Max	9	17.3
UL successful session rate (%)	94.3	98
Av. Ping latency	132.2	58.2
Max Ping latency	5 015	1 121
Web browsing attempt count	258	304
Web browsing session success count	240	292
Web browsing session success rate	93	96.1
Av. Web browsing connecting time(s)	3.3	3.3

Mobile data overall performance



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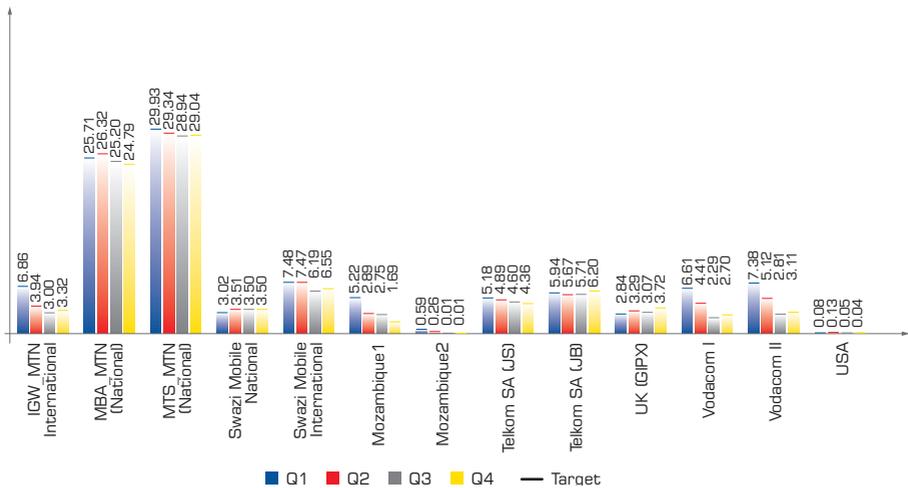
Fixed services

Additionally, during the reporting period the Commission monitored the quality of service offered by the fixed line operator Eswatini Posts and Telecommunications Corporation (EPTC). In line with the Quality of Service Regulations, 2016 the following performance indicators were monitored:

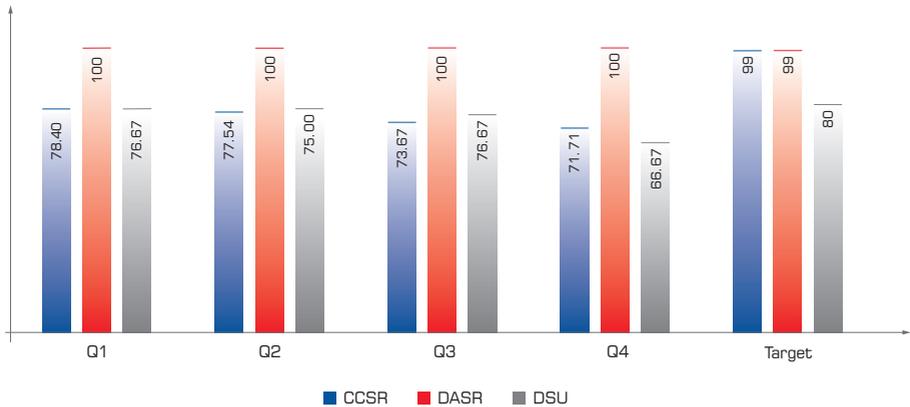
- Interconnection route utilisation
- Call connection success rate (CCSR)
- Data service availability (DSA)
- Data service utilisation (DSU)

The following illustrations are results obtained for the reporting period:

Interconnection route utilisation



EPTC QoS KPIs



In general, EPTC did not achieve the set thresholds of the performance indicators on a national level for call connection success rate (CCSR) and data service utilisation (DSU) which consistently failed to meet the threshold level of > 99% and > 80% respectively, for the duration of the year. Only data access success rate (DASR) complied continually at 100% against a target of 99%.

The Commission is looking at automating monitoring the QoS of the fixed line operator and other internet service providers.

Market development

Market development initiatives:

Numbering (short codes) management process

The Commission is also tasked with the responsibility to promote the development of innovative, secure, modern and competitive communications infrastructure and the delivery of related services. This responsibility includes ensuring that electronic communications infrastructure and services are used as a vehicle for socio-economic development, thereby creating opportunities for market growth. This requires

extensive engagements and collaborations with different stakeholders drawn from key sectors of the economy, as well as service providers. In this regard, during the 2021/2022 reporting period, the Commission issued an inquiry document on the review of the regulatory framework on numbering (short codes) management framework. The objective of the inquiry document was to solicit inputs on a regulatory framework that will provide clear numbering (short codes) management processes in view of the concerns regarding the manner of assignment, allocation and ownership of these short codes and their intended utilisation.

As a first step towards improvement of the regulatory framework and administration of numbering short codes, the Commission undertook an inquiry process to understand the nature and extent of how short codes are used in the country. The inquiry revealed that stakeholders agree that there is need for the Commission to review the current management framework of these numbering resources. The exercise is envisaged to be completed in the current year after benchmarking on the process from similar jurisdictions across the continent.

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Guidelines on Business Continuity and Disaster Recovery Planning for the Electronic Communications Sector

In line with the Commission's mandate of ensuring the operation of communications networks and communications services during times of public emergency and ensuring that all communications services are provided in a manner that will best promote economic and social development, the Commission issued Draft Guidelines on Business Continuity and Disaster Recovery Planning for the Electronic Communications Sector for public consultation. The main objectives of the guidelines are:

- Guide and assist service providers to put in place the necessary processes and systems for improving network resilience and assuring continued service availability, all year round;
- Engage with industry and stakeholders on a framework for improving network resilience and recovery by identifying several approaches (e.g. redundancy, and business continuity) to ensure uninterrupted service delivery.

The BC and DRP guidelines are still under consultation and the process will be completed in the current year with the final guidelines issued as a decision of the commission.

National Digital Strategy

The Commission in collaboration with the Ministry of ICT embarked on a project to formulate a National Digital Strategy to enhance the socio-economic well-being of the country thus transforming it to a digital economy. The Commission engaged Pygma Consulting to lead the project and deliver

the strategy. To date, key stakeholder engagements have taken place to unpack the project and solicit inputs from stakeholders in the development of the strategy, looking at the key focus areas and enablers. The strategy is expected to be completed and delivered to Government in the coming financial year.

Information and communications technology

Information and communications technology

The Technical Services Department is tasked with providing the Commission with all computing and communication resources needs and processes that empowers it to deliver on its mandate or duties and the development of information and communications technology (ICT) matters in the ICT industry in its entirety. In this regard, the Commission was able to build the necessary capacity and capability (systems and ICT network infrastructure).

As a result, for the reporting period, the department achieved a systems uptime rate of 99% for all computing systems. Additionally, the Commission rolled out an Enterprise Resource Planning system to automate its processes for operational efficiency.

Cybersecurity

During the reporting period, the Commission's focus was also on ensuring security and processes are strengthened to improve the Commission's security architecture. In addition, this focus extended to the market sector the Commission regulates and supervises. In this consideration, the Commission was involved in the following capacity building initiatives on cybersecurity:

In collaboration with stakeholders, the Commission managed to continue rolling out the National Cybersecurity Awareness Campaign in November 2021. The campaign ran the whole duration of November 2021 under the theme **Tiphaphise, Be Cyber Smart**. The objectives of the campaign was to amongst others:

- Increase and reinforce awareness of cybersecurity, including the risks and threats affecting organisations and their workforce; empowering Emaswati to take control of their online identity
- Increase and reinforce awareness of cybersecurity issues and provide solutions to the public inclusive of the vulnerable population
- Increase the number of national stakeholder groups engaged with National Cybersecurity Initiatives
- Increase and strengthen the cyber workforce through capacity building and by promoting science, technology, engineering, and math education
- Promote information sharing on cybersecurity incidents that occur in organisations

Consequently, to try and cover the broad aspects of cybersecurity awareness, each week for the month was dedicated to a theme, including protecting the digital environment, protecting your money, BeCyberSmart, as well as the safety of children online.



- Capacity building on cybersecurity. The Commission in collaboration with BitSight, capacitated industry on the BitSight Monitoring tool used for vulnerability audits. Additionally, the Commission in collaboration with ITU and the Central Bank of Eswatini hosted a Digital Financial Services Security Clinic to capacitate industry on the guidelines, mechanisms and tools for ensuring security on DFS.
- The Commission in collaboration with other industry stakeholders additionally managed to develop a website for the national Computer Incident Response Team (nCIRT) <https://ncsirt.org.sz/> as a platform for sharing important alerts and information on cybersecurity incidents in the country.

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Pending initiatives

Pending initiatives in the reporting year

The underlisted initiatives were pending in the year under review:

Initiative	Status
a. National Emergency Communications Plan (NETP)	b. Draft NETP in place, awaiting presentation to EXCO and publishing for consultation
c. National Innovation Challenge	d. Launch initiative
e. nCIRT SETUP	f. Operationalising framework recommendations from ITU
g. .szccTLD Implementation	h. Alliance Committee nominated. Convene Steering Committee as recommended and implement same

Broadcasting services

One of the Commission's mandates is the regulation and supervision of broadcasting services, including the content thereof. In this regard, the Commission is entrusted with the responsibility to ensure and promote a vibrant broadcasting sector that provides quality broadcasting services in all available platforms, through international quality standards, stakeholder engagement and ensuring the protection of audiences. In carrying out this mandate, Commission to achieve the following activities:

Achievements:

Development of regulatory frameworks

The Broadcasting Services developed three sets of regulations to support and guide the implementation of the Broadcasting Bill of 2019, which got approval from the House of Assembly and awaits approval from the House of Senate. These regulations, to be tabled in the next financial year, are the Broadcasting (Content) Regulations, Broadcasting (Online Content Licensing) Regulations and Broadcasting (General Licensing) Regulations.

In the current financial year, the Broadcasting Services further developed the Digital Terrestrial Television Guidelines to facilitate the licensing of the Digital Terrestrial Television Network. Also, Broadcasting Services developed the Broadcasting Content Guidelines to enhance the Broadcasting Guidelines of 2017, more so on content regulation which is lacking.

To guide content classification the Broadcasting Services drafted Content Classifications Guidelines. The objective of the classification guidelines is to provide consumer advice to enable individuals to make informed viewing choices for themselves and for children in their care; to protect children from exposure to inappropriate and harmful content and from premature exposure to adult content.

Development of content hub

After realising that the broadcast industry was underperforming, the Broadcasting Services in association with the Universal Access and Service Directorate engaged stakeholders in the broadcasting services sector to solicit their views on the sector's challenges and solutions to these challenges. One major challenge noted during the engagements was the non-

availability of suitable content production hubs or facilities in the country. Such facilities can assist independent producers in producing high volumes of local content to be supplied to the broadcasting stations. Following this finding, the Commission, in collaboration with Eswatini TV, resolved to initiate a project for the development of a National Content Hub. The content hub, to be situated at Eswatini TV premises, will be operated jointly by independent content providers and Eswatini TV. During the current year and as part of the project implementation, the following was carried out:

- Development of project concept and approval by the ESCCOM Board;
- Benchmarking exercise conducted by ESCCOM and ETVA resources in Namibia and Mauritius;
- Preliminary project and construction designs developed.

Enforcement of Broadcasting Code

Following the development of a monitoring framework for the Broadcasting Code in the last financial year, to ensure strict compliance with the code's provisions, the Commission engaged eight short-term Broadcast Monitoring Officers. The officers were engaged for a month to carry out the monitoring exercise, after which they produced a report with findings and recommendations. The findings highlighted several violations of the code by all the broadcasters. In addition, the monitoring exercise highlighted a number of challenges related to broadcasting services' networks in general, including: difficulty in receiving a signal from licensees in specific areas, the digital terrestrial television (DTT) network signal was challenging to obtain and unstable in other places and the quality of productions by some broadcasters was perceived to be of low standard with poor quality audio and video.

Some recommendations from the report, which will be worked on in the coming year, are as follows:

- The Commission should consider putting in place policies or guidelines on the minimum qualifications that personnel working in the broadcasting sector should possess in order to ensure that broadcasters hire qualified personnel.
- An assessment of the DTT network coverage should be carried out to identify dark pockets and convergence points which lead to signal losses. This should be followed by mapping out plans on how to improve the coverage and shifting of convergence points away from populated areas.
- The coverage of radio broadcasting networks should be assessed to ascertain its reach and identify pockets which may require installation of additional transmitters to improve coverage and access to these stations.
- Educating the nation through public awareness campaigns to make them aware of the type of antennas they need to use to get the best DTT signal and also how the other stations can be appropriately accessed, should be conducted as a matter of urgency.

To deliberate on the issues above the Commission will soon engage all the broadcasters.

Compliance monitoring system

Through a tendering process, the Broadcasting Services was able to finalise a tender for procuring a Broadcasting Management System (BMS). A suitable local company was awarded the tender to install the system. Installation of the system is ongoing and shall be complete in the next financial year. Upon completion, the system shall enable the Commission to monitor and report on violations by all broadcasting services 24/7 in the country without human intervention to ensure the efficient provision of high-quality broadcasting services to audiences.

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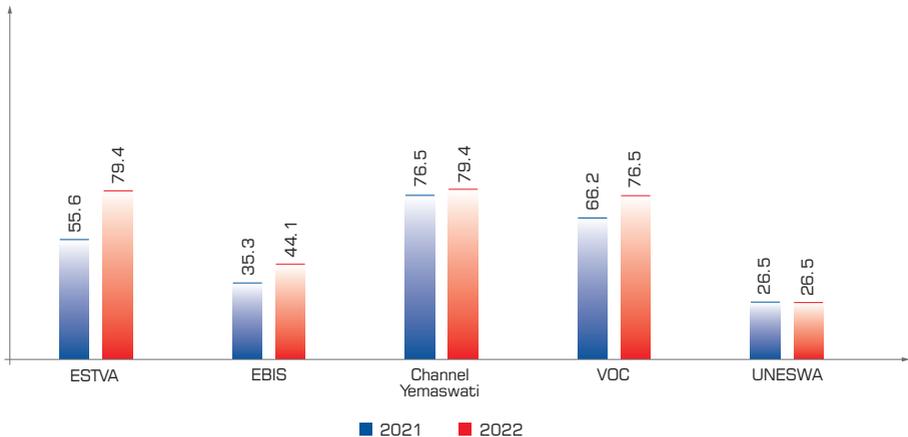
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Broadcasting service providers' facilities inspections

To ensure that broadcasters continuously improve the quality of the services they provide to their customers, it is important that broadcasters maintain high standards as far as their facilities are concerned. As such the Commission conducts regular inspections of the broadcasters' facilities to ascertain that the stipulated standards and requirements are met at all times. In the year 2021/2022 the Commission managed to conduct inspections on all licensed broadcasters against a set of requirements including policies, processes

and operational-related requirements. From the reports that were prepared after the inspection exercise, it was noted that there was some slight improvement from results obtained during the previous reporting period. The results of the inspection showed compliance scores ranging from a minimum 26.5% to a maximum of 79.4% which was an improvement from the 2020/2021 scores which ranged between a minimum of 26.5% to a maximum of 76.5%. It was further noted that some broadcasters did not have any changes in their scores as shown in Figure 1 below.

Figure 1: Compliance report



Broadcast industry development growth: capacity building

Following a consultative process with Broadcasting Services stakeholders, it was discovered that currently there exists a significant gap between the local content that is being aired by broadcasting houses and the stipulated quarter that they should be airing. Also, the quality of the content is not satisfactory and does not meet international standards that would make it attractive for international markets.

Summarily, some of the identified discrepancies are the following:

- a) Low output
 - Currently the industry produces a miniscule amount of local content.
 - Local TV channels currently carry less than 20% of local content on their programming.
 - Alternative platforms, like the digital space, also have very little local content.

b) Poor quality

- Production quality of a majority of locally produced programmes remains low.
- From the writing, to the lighting, editing, and sound, the technical standards of local productions often fall below expected international standards.

c) Shallow content diversity

- The current menu of local content has very little genre diversity.
- A majority of the local content consists of talk shows, with very little drama, reality shows, comedy, and many other entertainment genres.

d) Lack of quality skills training

- Graduates in film and TV production often lack the capacity to produce quality that meets international broadcast standards. Though these graduates have a strong foundation in film and TV production, the skills level they accumulate during training years do not allow them to produce at a high level of quality.
- There exists a gap between the quality that players in the industry can produce, and the quality the industry needs them to produce to be internationally competitive.
- There is evidence of poor quality in the content that is currently being produced by local producers for local channels such as Eswatini TV or Channel Yemaswati as a result of the skills shortage.
- An analysis of local productions revealed that there is skills shortage in the following key areas of production: screenwriting, directing, editing, lighting, acting, sound recording, and understanding of production techniques and rules for different genres and content formats.
- Other lack of skills which were identified include independent filmmaking, finance, broadcasting, management and leadership.

In response to the challenges faced by the broadcasting sector in the country and in an effort to mitigate the discrepancies identified through the consultative process, ESCCOM facilitated and funded capacity building workshops to enhance high quality productions. This was aimed at improving viewership and income generated within the sector. The stakeholders that were invited and participated in these workshops included Eswatini Television Authority, Channel Yemaswati, independent producers and filmmakers, totalling 128 in number.

The overarching aim of the training workshops was to professionalise the broadcasting industry, enhance high quality in local content productions, and to holistically transform the broadcasting industry by upskilling content producers with the necessary skills required to produce high quality diverse content for local broadcast houses for the benefit of the people of Eswatini and potential international markets.

A separate screenwriting workshop was also funded by ESCCOM and conducted by two facilitators from Eswatini and one from South Africa. The main objective of this workshop was to improve quality of local scripted drama by empowering Eswatini screenwriters with the skills to write professionally sound screenplays. A total of eight screenwriters were trained in screenwriting theory and screenwriting practical. Four scripts were produced following the training and are ready for the production of four short films.

Broadcast industry stakeholder engagement

In the year 2021/2022, the Commission had several stakeholder engagements with a variety of stakeholders within the broadcasting sector. The stakeholders include the broadcasters, independent producers and other government institutions (such as the Ministry of ICT) to

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deliberate on a number of matters. There were three engagements that the Commission had with EBIS which included the presentation of the Broadcasting Code 2022 to EBIS staff.

Meetings with Channel Yemaswati presented opportunities for the TV station to present the challenges they are facing as far as programmes are concerned. This also gave the Commission an opportunity to raise some concerns that it has particularly on the continued violation of the Broadcasting Guidelines and Code by the station.

Meetings with ESTVA have led to the commencement of a project that seeks to construct a content hub in the country. Benchmarking on this exercise has been carried out where ESTVA staff and members of the Commission went to Namibia, South Africa and Mauritius to see how these countries are performing in as far as content development is concerned.

Moreover, the Commission assisted in hosting a content production and scriptwriting workshop which was attended by staff members from the TV broadcasting houses and independent producers. This workshop led to the development of four scripts which are ready for production.

Content quotas

Section 8 of the Broadcasting Guidelines requires that a minimum of 40% of content for broadcast has to be locally produced and that 60% of the locally produced content must originate from independent producers.

- An analysis of the programme schedule submitted by Eswatini Television (ESTVA) between January and March 2022 indicates that ESTVA meets and exceeds the minimum local content quarter with an average of 62% local content attainment – Figure 2. However, ESTVA still falls short of the minimum 60%

of local content that should be produced by independent producers as currently about 74% of the local content is produced by ESTVA and only 26% produced by independent producers, as shown in Figure 3. This shows an even further decline in the content from independent producers as it was at 31.7% last year.

- On the other hand, Channel Yemaswati still meets and exceeds the 40% local content requirement as they are currently on 85% local content and only 15% international content. Unfortunately, Channel Yemaswati also fails to meet the 60% requirement of content from independent producers as currently about 72.7% of the local content is produced by Channel Yemaswati with only about 27.3% from independent producers. This is a decline from 77% of station productions and 23% by independent productions from last year. Even though this is a slight improvement, it is worth noting that Channel Yemaswati seems to be moving in the desired direction.

Figure 2 – Local content vs international content – ESTVA

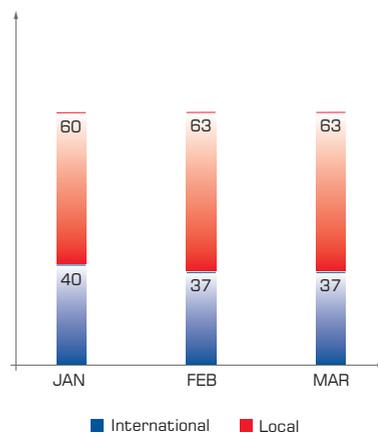


Figure 3 – Local content by independent producers vs local content by ETVA

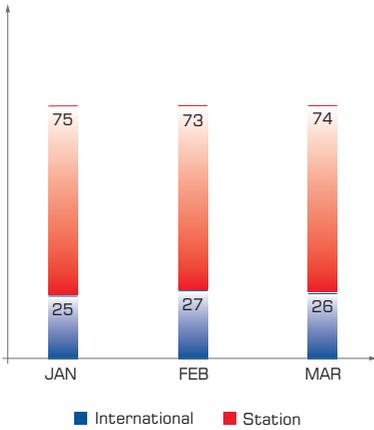


Figure 5 – Local content by independent producers vs local content by Ch. Y

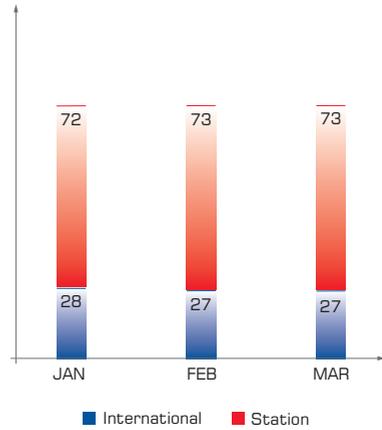
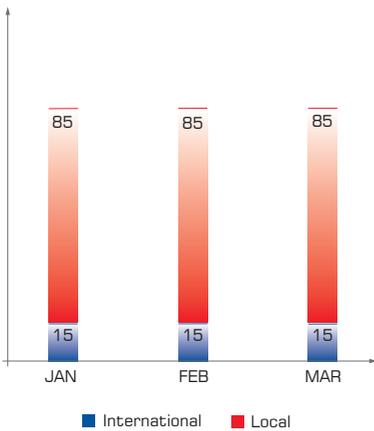


Figure 4 – Local content vs international – Channel Yemaswati



Postal services

The regulation and supervision of the postal sector and e-commerce activities is also one of the key responsibilities of the Commission. During the current year, the Commission managed to achieve the following activities:

Regulation of the postal sector

The Commission finalised the Postal and Courier Licencing Guidelines 2021 review process which involved an extensive consultation with stakeholders. The guidelines came into force in September 2021 and will be the framework used to regulate the postal sector. This is a sector that includes both postal and courier service providers. Finalisation of this process was a very important milestone because the regulation of the postal sector had been lagging behind in Eswatini and lack of an updated framework was a challenge.

TECHNICAL SERVICES

continued

The following exercise after the guidelines coming into force, was the licensing of service providers in the postal sector. Therefore, in October 2021, the Commission invited stakeholders to a workshop to capacitate them on the guidelines, implications of what it meant now that they had come into force and the licensing process that was to follow. In the same workshop, postal and courier service providers were appraised about the licence application process and were requested to submit applications. By 31 March 2022, the Commission had received six applications for the provision of postal and international courier services from service providers which included: Eswatini Post and Telecommunications Corporation, Interfreight (Pty) Ltd, DHL Swaziland, FedEx Couriers, Eliang Courier Services, and Triton Express Couriers. These are big players in the industry and it was a positive for the Commission to receive a response from them. The Commission will continue to engage more players in the sector to ensure that they all are licensed.

Regional postal quality of service project

In line with the Commission's responsibility to ensure delivery of high quality service by operators, Eswatini continued its participation in the Quality of Service Project for letter-mail facilitated by CRASA with the assistance of the UPU. This project was intended to measure the end-to-end transit time of letters posted between CRASA member countries. Member countries that participated in the project included Botswana, Lesotho, Malawi, Zimbabwe and Namibia.

The project was completed in December 2021 and key results from the project indicate the following:

- a) Eswatini dispatched the highest number of test-mail letters. A total of 949 letters were posted, as compared to Zimbabwe dispatching the least – 56 mail items.
- b) In period 1, dated 1 January 2021 to 31 August 2021, the postal sector was still suffering from the impacts of the COVID-19 pandemic. Therefore, there were mail delays still experienced. The best end-to-end performance in the period was on the Lesotho – Eswatini link which recorded an average of 32.9 days taken to deliver mail and the worst performing link was Malawi – Eswatini which recorded an average of 115.8 days taken to deliver mail. This was mainly due to international transportation of mail in between countries, which accounted for a significant proportion of the delays experienced in this period.
- c) When observing period 2, dated 1 September 2021 to 31 December 2021, the best end-to-end performance in the period was once again on the Lesotho – Eswatini link which recorded an average of 25.8 days taken to deliver mail and the worst performing link was Botswana – Eswatini which recorded an average of 265 days. Unfortunately, the movement of mail by international transportation had not improved, therefore prolonging the delivery turnaround times.

The Commission is engaging with the national post to investigate the overall state of international mail movement, which is largely responsible for the long turnaround times of mail delivery, in order to develop appropriate mitigatory interventions in collaboration with the relevant stakeholders, especially South Africa.

National addressing and postcode system project

Following the Universal Postal Union (UPU) pledging to assist Eswatini in implementing the National Addressing and Postcode System Project, the rolling out of the project commenced. With assistance of the Union, the Ministry of ICT and ESCCOM engaged an UPU addressing

expert consultant, Mr Jean Pierre Rossouw, to conduct the feasibility study of the project. This was more of a fact finding exercise where the current addressing and postcode system status of Eswatini was investigated, mainly to establish the baseline. A detailed consultative process, including onsite visits, with all key stakeholders was undertaken as part of the exercise. A final feasibility report for the project has been produced with recommendations on how the project is to be implemented and the next steps, which will be carried out in the next year.

The report recommendations cover a variety of aspects including the following: postcode system, physical addressing system, standards for addressing and postcodes, national addressing database, governance of the project, high level project plan, cost estimates and plausible funding avenues for the project.

Letter writing competition

The Commission has recently begun the coordination and facilitation of the Eswatini Letter Writing Competition. The first edition by the Commission was run between the months of October and November 2021, and the second between the months of February and March 2022. The second was done earlier in order for the country to participate in the international phase of the competition.

This is an initiative by the UPU which began in 1971. The UPU encourages member countries to run this annual competition in their respective countries at national level as a prerequisite for international participation. The aim of the competition is to keep postal services in society relevant, especially amongst the youth, and foster continued awareness of the important role the postal network plays in our everyday lives. Also, it aims to increase knowledge of worldwide issues and improve literacy through the art of letter writing. Targeted at children and young people between the ages of 9 and 18 years, the writing

contest encourages participants to express their creativity, improve their language skills and channel those to engage in research work of pertinent global topics.

The competition has been successful and great responses have been received from young people in Eswatini on two key global themes: *Write a letter to a family member about your experience with Covid-19* and *Write a letter to someone influential explaining why and how they should take action on the climate crisis*. This initiative has become a platform where children and the young in Eswatini voice their views on how they perceive global issues. Winners of this competition stand a chance to win great prizes such as laptops, tablets, cell phones and branded promotional merchandise contributed by partners of the competition.

To increase its impact and reach, the Commission has partnered with several key stakeholders which include: Ministry of Education and Training, Eswatini Post and Telecommunications Corporation, UNICEF Eswatini, World Vision Eswatini, Macmillan Education Eswatini and Premier Swazi Bakeries. Depending on the theme, more stakeholders may be engaged.

International meetings

10th PAPU Plenipotentiary Conference, Victoria Falls, Zimbabwe

From 7 to 25 June 2021, PAPU held the 39th AC Ordinary and 10th PC Ordinary Session. These meetings were preceded by committee meetings. The committee deliberations were virtual, with the AC and PC sessions hybrid (face-to-face and virtual). The Eswatini Communications Commission attended the meetings on behalf of the Eswatini Government, as a regulator for the provision of postal services in the country. The main activity of the conference was the elections, which led to the change in leadership of the Union. The results were as follows:

TECHNICAL SERVICES

continued

The Secretary General and Assistant Secretary General were elected and results were as follows:

- Secretary General: Mr Sifundo Chief Moyo (Zimbabwe)
- Assistant Secretary General: Ms Jessica Uwera Hope (Uganda)

UPU 27th Congress, Abidjan, Côte d'Ivoire

The Republic of Côte d'Ivoire successfully hosted the 27th UPU Congress in the face of the unprecedented challenges posed by the ongoing COVID-19 pandemic. The Congress was held from 9 to 27 August 2021. Under the circumstances imposed by the pandemic, the Rules of Procedure of Congresses were adapted to allow for both physical and remote ("hybrid") representation of Union member countries, so as to ensure that delegations unable to travel to the Congress venue are able to participate. The Eswatini delegation was not able to travel due to the COVID-19 pandemic; however, the delegation was able to fully participate during meetings and elections virtually. This was an advantage because it allowed a larger delegation of Eswatini, including Government, EPTC and ESCCOM, to participate in the Congress and appreciate the complexities of the postal sector.

The main activity of the meeting were the elections, which led to the change in leadership of the Union. The results were as follows:

- i) Mr Masahiko Metoki (Japan) was elected in the first round of voting with 102 votes, compared to 40 votes for Pascal Clivaz of Switzerland and 14 votes for Jack Hamande of Belgium.
- ii) Mr Marjan Osvald (Slovenia) was elected Deputy Director General after two voting rounds, succeeding with 86 votes from member countries.

- iii) Member countries also cast their ballots to elect new members to the Council of Administration (CA) and Postal Operations Council (POC).

- a) Key issues discussed

Several issues were discussed, below are the key issues, including the following:

- Postal leaders scrutinise the pandemic, focusing on both the challenges and the opportunities that the pandemic has created for the post, and how these can be exploited for the benefit of the post;
- Opening up of the UPU to more relevant players in the postal industry.

Construction of ESCCOM offices

During the year under review, significant progress was realised in the office construction project in Ezulwini. The project summary is as shown below:

Project cost (without interiors and furniture) for main contract works:	E188,782,910.92
Expected completion date:	23 May 2023
Project programme of works:	Submitted, received and adopted by ESCCOM.
Project progress (as at 30 March 2022)	21% completion (103 days out of 497). Financial progress is also estimated at 21%. Project is on track in relation to submitted schedule.
Project risks:	Possible cost escalations and delays due to global geopolitics.



CHALLENGES EXPERIENCED DURING THE CURRENT REPORTING YEAR

While the Commission managed to successfully implement a number of planned activities for the year, a number of operational challenges were faced, resulting in a number of projects and activities falling behind. These include the following:

Radio frequency spectrum management:

- a) **The effects of COVID-19 and online meetings:** while the COVID-19 pandemic had the positive effect of moving a number of international meetings (that the Commission is mandated to participate in) making it possible and easier to participate in any discussion, this also had the negative effect of 'too many' meetings that the Commission had to be part of, affecting operational activities. This was addressed, later in the year, by proper planning and prioritisation;
- b) **Downtime and failures on Automated Spectrum Monitoring System (ASMS):** a number of failures were experienced on the ASMS, making it difficult to carry our regular monitoring activities. While there is a support and maintenance agreement in place with the suppliers of the system (TCI based in the USA), the main challenge is the long lead times related to shipment of equipment between Eswatini and the USA. To deal with this situation, the Commission is planning to capacitate and train internal staff on first line maintenance on the system in the coming year;
- c) Cooperation (lack of) with spectrum users.

Broadcasting services:

- i) Broadcasting Services Bill: the delayed passing of the Bill into law significantly affects the full regulation and development of the sector. As a result, the Commission has not been able to licence all participants

in the broadcasting sector, particularly subscription management services, as they expressly indicated that their licensing process should first be legislated;

- ii) Poor quality content and services: the industry and the Commission is faced with poor quality services by industry participants, resulting in very poor financial performance of the sector. Amongst other things, this challenge can be attributed to limited capacity (skills and resources) within the sector. The Commission, together with key stakeholders, will be implementing initiatives to deal with this challenge in the coming year(s).

Technology and standards:

- i) Delays on finalising consultative processes: as the work of the Commission is consultative in nature, so it warrants for public participation of the process to gather stakeholder inputs and perceptions towards the work being undertaken by the commission
- ii) The computing environment not fully automated (during the lockdown – working from home period) rendered some services not digitally delivered end-to-end. The enterprise resource planning system had some delays in implementation to be fully operational.
- iii) The reporting year also saw a delay in performance management files for MTN 4G being delivered to the network management system for analysis. This rendered a delay in QoS reports being completed. However, there seemed to be improvements in the last quarter of the reporting year on the delivery of the files.
- iv) Monitoring and measurement of fixed and ISPs was a challenge since there is no automated system in place to deliver on this mandate effectively and efficiently. However, stop gap mechanisms are in place to ensure compliance is achieved.

TECHNICAL SERVICES

continued



FUTURE OUTLOOK

Outlook of activities for the coming year

Keeping in mind the advent of the Fourth Industrial Revolution and the new normal under COVID-19 way of doing business, the key focus areas for the Commission in the next financial year is to deliver on initiatives that will ensure service providers deliver quality, secure and resilient services to keep up with the demand for digital services everywhere, anytime. This will involve continued focus on establishment of an enabling and transparent regulatory environment, development and growth initiatives across all the regulated sectors, as well as the protection and safety of consumers. The key activities for the coming year include the following:

Spectrum management

- 1 Ensuring effective and efficient management of scarce resources**
Carry out spectrum monitoring and planning activities
Processing of spectrum licence applications
Review PMR and Sound Broadcasting Band Plans
- 2 Implementation of WRC-19 recommendations on Eswatini Satellite Orbital Positions**
Coordination with concerned member states
Prepare submissions for WRC-23
- 3 Representation of Eswatini in regional and international forums**
International Telecommunications Union; SADC and CRASA
- 4 Promoting industry understanding on spectrum-related issues and economic opportunities emanating therefrom**
Organise stakeholder engagement sessions and capacity building events

Technology and standards

- 1 Ensuring and enforcing resilient networks in the telecommunications space**
Collaborating and providing guidance for service providers putting in place disaster recovery plans for their networks to support business operations for both during and after an incident
- 2 Implementation of the National Computer Incident Response Team (nCIRT)**
Creation of competencies and capacity within the Commission to manage and act on issues relating to cybersecurity nationally
- 3 Full automation of business processes**
Putting in place a digital strategy for the organisation
- 4 Promoting development and innovation in the ICT sector**
Engagements with industry participants to identify opportunities for development, particularly those requiring policy and regulatory interventions
Organising industry events and initiatives aimed at promoting innovation
- 5 Enforcement and monitoring of regulatory requirements and conditions**
Quality of service
Equipment type approval
Infrastructure sharing
Numbering, including .szccTLD



FUTURE OUTLOOK continued

Broadcasting services

- 1 Finalisation of broadcasting regulations:**
To elaborate specific provisions of the Broadcasting Bill
- 2 Development of industry guidelines to supplement the current regulatory frameworks for broadcasting services:**
Development of Community Broadcasting Guidelines
Development of Universal Access Guidelines for Broadcasting
Development of Quality of Service Guidelines for Broadcasting Services
- 3 Ensuring compliance to regulatory frameworks:**
Monitoring and enforcement
Promoting development of the sector:
Capacity building of broadcasting stakeholders
Implementation of the broadcasting content hub project
Stakeholder engagement:
Consultation with broadcasting stakeholders

Postal services

- 1 Regulation of the postal sector**
The Commission will continue to engage more stakeholders in the sector, especially the courier service providers as only a few submitted their licence applications. The focus will be on the local company courier service providers of which a majority are small and medium-sized enterprises. Furthermore, the Commission will be working with the Ministry of ICT to develop the National Postal Sector Policy which will be more focused at how best the sector can be developed taking into consideration the technology advancements which have affected the sector tremendously.
- 2 Regional postal quality of service project**
The Commission will continue to participate in this project. It is expected that more CRASA members will join the project in addition to the countries already participating.
- 3 National addressing and postcode system project**
In conjunction with the Ministry of ICT, the Commission will continue with rolling out of the project. Key activities will be development of the National Addressing Policy, national launch of the project and piloting of the project in some areas around the country.
- 4 Letter writing competition**
The Commission will continue to run the competition. The aim is to increase its reach of the competition, hence increase the number of entries. Also, it aims to develop programmes to implement the recommendations put forward in the letters submitted by the children and young people.

ESCCOM building project

- 1 Project implementation:** Supervision of main contract and sub-contract works
- 2 Project implementation:** Tendering and procurement of interior design and office furniture
- 3 Project implementation:** Tendering and procurement of landscaping services



LEGAL AND COMPLIANCE

Legal and Compliance is responsible for three segments of the Commission business.

Service regulation

- Processing and evaluation of commercial licences
- Assisting in the formulation of Regulations, Directives, Guidelines and Reports among others
- Keeping up-to-date with new laws and regulations
- Assisting other departments in day-to-day regulatory matters
- Conducting inspection
- Conduct holistic compliancer review and remain alert to legislative changes that impact the Commission
- Draft Governance Report in line with King IV application

Legal affairs

- Provide quality internal legal advice as well as provide guidance and alerts on current and emerging legal risks
- Acting as interface between the Service Regulation and Legal Affairs department and other departments for all legal-related matters
- Review and draft agreements which are both legal sound and business appropriate, as well as maintain oversight of the contract registers
- Attending and following court cases where the Commission is involved
- Draft necessary briefs and liaise with relevant company attorneys on matters, as and when necessary
- Manage the review and updating of all policies and procedures, as well as internal staff training and assessment

Corporate governance

- Facilitate business reporting to the Ministry by the Board
- Ensure that the Board is fully trained to possess skills to undertake their mandate and strategically guide the organisation
- Assist with Commission secretarial function and adherence with best practice, performing Board administration, coordinating statutory returns and statutory engagements with members and the organisation

ESCCOM Board administration

Board induction

Following the appointment of new members of the ESCCOM Board, a Board induction workshop was conducted by the Commission. The workshop covered the following areas:

- Introduction to ICT regulation governance
- ESCCOM strategy
- The role of the Board as presented by the Public Enterprise Unit (PEU)
- Corporate governance and Board effectiveness
- Risk and strategy

Board training on corporate governance

During this period, the Board attended the 32nd African Corporate Governance Conference and Workshop. The workshop covered the following areas:

- The real risk of governance failure – leadership in tough times
- Board induction in the new paradigm
- The role of the Board in business continuity during times of crisis
- The Fourth Industrial Revolution and IT governance
- Exceptional leadership in the disruptive world
- Cyber resilience and COVID-19
- Enterprise value creation
- Evaluation of Board and director performance

ESCCOM Board members for the financial year 2021/2022

Name of Board member	Date of appointment	Date of office vacation
Themba Khumalo	16 May 2019	Resigned on 30 August 2021
Mlungisi Dlamini	1 April 2020	In office
John Mathwasa	1 April 2020	In office
Bheki Ndzinisa	1 April 2020	In office
Bongiwe Dlamini	1 April 2020	In office
Khethiwe Alexander	15 October 2021	In office
Reverend Senzo Hlatshwayo	15 October 2021	In office
Mvilawemphi Dlamini	Chief executive	Ex-officio member

LEGAL AND COMPLIANCE

continued

EPTC regulatory inspection report

In terms of section 7(j) of the ESCCOM Act, the Commission shall generally regulate, monitor and keep under review all practices, operations and activities within the remit of the Commission. In line with this mandate, and having identified a different array of issues and, in an effort to ensure Eswatini Post and Telecommunications Corporation (EPTC) remains functional as the cornerstone of the communications sector in the country, the Commission conducted an in-depth inspection into the operations of EPTC. The inspection focused on the following areas:

- EPTC strategy
- Finance
- Infrastructure
- Product and services
- Customer service
- Enterprise management

The Commission evaluated the above areas and made a number of observations. Following observations made, the Commission made specific recommendations to ensure EPTC's sustainability as a business.

Grant of 15 General Electronic Communications Services (GECS) licences

In terms of section 7(g), the Commission is mandated to grant any authorisation for the carrying out of any operation or activity relating to any matter within the remit of the Commission. During this reporting period and in an effort to expand market growth and competition in the electronic communications services sector, the Commission granted 15 general electronic (Importation, Installation, Maintenance, Distribution or Sale of Electronic Communications Equipment) services licences to the following service providers:

No.	Name of new licensee	Date of issue
1	B.S.N Technical Services (Pty) Ltd T/A NetComm	26 October 2021
2	Informatics (Africa) (Pty) Ltd T/A PC System	26 October 2021
3	Printout Swaziland (Pty) Ltd	26 October 2021
4	The Office Centre (Pty) Ltd T/A City Office Machines	26 October 2021
5	Tsembeka Bobhuti Investments (Pty) Ltd T/A Planet Cellular	26 October 2021
6	Inqlab Investments (Pty) Ltd T/A Chumana Cellular	26 October 2021
7	Tsembeka Bobhuti Investments (Pty) Ltd T/A Variety centre	26 October 2021
8	Inqlab Investments (Pty) Ltd T/A Chumana Cellular	26 October 2021
9	Tsembeka Bobhuti Investments (Pty) Ltd T/A Variety centre	26 October 2021
10	Computronics Systems (Pty) Ltd	26 October 2021
11	Slomoes Corporation (Pty) Ltd	26 October 2021
12	JD Group Swaziland (Pty) Ltd T/A HiFi Corp	26 October 2021
13	SGL Technologies (Pty) Ltd	26 October 2021
14	CYB/SAB Investments (Pty) Ltd	26 October 2021
15	Phones R Us (Pty) Ltd	1 March 2022
16	BPL Communications (Proprietary) Limited	1 March 2022
17	BPLB Distributors (Proprietary) Limited	1 March 2022

Renewal of six (6) general electronic communications licences

The Commission had issued licences to internet service providers in the year 2017 and these licences came to an end in 2022. These licences were duly renewed and issued to the following internet service providers for a further period of five (5) years:

No.	Name of licensee	Date of issue
1	Computronics Systems (Pty) Ltd	3 May 2022
2	Dimension Data MEA (Pty) Ltd	3 May 2022
3	Ironstamp Investments (Pty) Ltd	3 May 2022
4	Jenny Internet Swaziland (Pty) Ltd	3 May 2022
5	Swazisat (Pty) Ltd	3 May 2022
6	Touch IT Investments (Pty) Ltd	3 May 2022

Participation in the promulgation of the Cybercrime and Computer Crimes, Data Protection and Electronic Communications and Transactions acts

In terms of section 7(a) of the ESCCOM Act and as part of its primary functions, the Commission is mandated to advise the Government on policy and legislative measures in respect of the provision and operation of communications network and communications services, including radio and television broadcasts, postal services, electronic commerce and data protection in electronic communications.

In the exercise of these functions the Commission participated in and facilitated workshops for members of the House of Assembly as well as the House of Senate, respectively, on the following Bills:

1. **Data Protection Act** – the object of the Act is to govern the collection, use, disclosure and care of personal data and protect personal data, including rights of access and correction, and needs of organisations to collect, use or disclose personal data for legitimate and reasonable objectives.
2. **Electronic Communications and Transactions Act** – the object of the Act is the regulation of electronic transactions and electronic communications and the facilitation of the use of e-government services and promotion of e-commerce.
3. **Cybercrime and Computer Crimes Act** – the object of the Act is to criminalise offences involving computers and network-related crimes, provide for the investigation and collection of evidence for computer and network-related crimes and provide for the presentation and admission of electronic evidence in court.

During this reporting period, the Bills were passed into law. The promulgation of these legislations was a culmination of combined efforts by the Commission and the Ministry of ICT, from developing the frameworks, stakeholder engagement and validation exercises. These new Acts impose additional regulatory mandates on the Commission which require concerted effort to establish new functions.

LEGAL AND COMPLIANCE

continued

Ratification of international conventions

In terms of section 7(p) of the ESCCOM Act, the Commission must ensure compliance with national and international communications standards and obligations laid down by international communications agreements to which Eswatini is a party.

During this reporting period, the Commission has initiated the process of ratification of the following treaties:

1. **The Malabo Convention**
2. **The Tampere Convention**

These conventions have been submitted to the Ministry of Foreign Affairs, which is responsible for facilitating ratification of international instruments on behalf of Eswatini. The Commission shall continue lobbying for the ratification of these important instruments.

Participation in international/regional forums

One of the functions of the Commission in terms of section 8(a) of the ESCCOM Act is to represent the communications sector of Eswatini at national and international fora and at organisations relating to the functions of the Commission, and coordinate the participation of any interested groups. The country is a member

of the Communications Regulators Association of Southern Africa (CRASA) and the Commission held chairmanship of the Legal and Policy Committee, which is one of the seven Standing Committees of CRASA and whose mandate is to review and make recommendations regarding legal and policy matters within CRASA. During this period the Commission championed the following activities within the Committee:

1. Adoption of the CRASA Draft Workplan for the 2022/23 financial year.
2. Comprehensive review of the CRASA Constitution and development of the Draft Constitutional Amendment and Notice of Amendment in accordance with Article 25 of the CRASA Constitution.
3. Adoption of the Report on the Preliminary Assessment of the Legal and Regulatory Implications of the AFCFTA.
4. Review of the draft Memorandum of Understanding (MoU) between CRASA and WITS University.
5. Review of the draft MoU between CRASA and Pan African Postal Union (PAPU).
6. Presentation of the Legal and Policy Committee Report before CRASA EXCO and Annual General Meeting (AGM).
7. Representation in the CRASA AGM.



STRATEGY AND ECONOMIC REGULATION

In the pursuit of achieving its mandate, ESCCOM developed a strategy to guide its operations and deliver on the set targets. These are spelt out in the organisational strategy, which outlines a roadmap for a five-year period, and is implemented and monitored through an Annual Operational Plan (AOP).

Strategy and Economic Regulation is responsible for the development, implementation and monitoring of the Eswatini Communications Commission (ESCCOM)'s strategy, the economic regulation of the communications market with regard to competition and cost of communication; collection of ICT data and compilation of statistics to facilitate fact-based market research and reporting on national ICT statistics and indicators. It is also enjoined with the facilitation of communication and engagement with stakeholders through integrated media, and further promotes the Commission's outreach activities and events, to maintain visibility as well as to promote and empower consumers on ICT products and services.

The Commission's strategy is operationalised through the implementation of AOP, which is aligned to the budget. The execution of the AOP was impacted by the COVID-19 pandemic, whose regulations limited engagements, and as such innovative approaches to conducting business

were engaged. Measures were relaxed towards the end of the financial year (FY) and operations returned to normalcy following a decline in the number of cases. For the year under review, the performance in the areas of Strategy, Economic Regulation, Consumer Affairs and Communication is articulated below.

Strategy implementation and monitoring

Implementation of the Commission's Strategic Plan

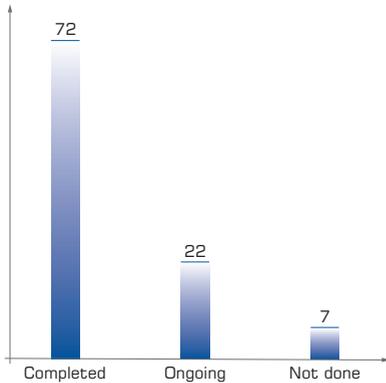
The reporting period marked the fourth year of the operationalisation of ESCCOM's five-year strategy (2018 – 2023), implemented through the 2021/22 AOP. Initially, the Commission planned to implement 123 activities within the allocated resources. However, during the course of the year the operating environment presented challenges that proved difficult to implement all activities. This resulted to the deferment of ten (10) activities to the next financial year. Eventually, 113 activities were executed and were at various levels of implementation at the close of the year under review.

In executing the AOP, the Commission committed resources to implement a total of 113 activities across the organisation's specific objectives. An overall annual achievement of 72% was achieved. 81 activities were executed to completion, while 23 activities which translates to 20% remained ongoing at the close of the reporting period, as indicated in figure 1. The remaining nine activities, which translate to 8%, were not done and deferred to the next FY.

STRATEGY AND ECONOMIC REGULATION

continued

Figure 1: Percentage completion of activities in 2021/22 AOP



Activities not implemented in the reporting period will be incorporated into the 2022/23 AOP and this will enable the Commission to ensure implementation of all planned activities of the organisational strategy for the period are completed. The Commission remains committed to effectively execute the planned activities set out in the past year to deliver on the mandate.

Collaboration with institutions

In pursuit of its mandate, ESCCOM is enjoined to collaborate with relevant authorities on matters of common interest. The Commission is affiliated to international and regional organisations involved in telecommunications and consequently participates in their activities. These include: the International Telecommunications Union (ITU); African Telecommunications Union (ATU); Pan African Postal Union (PAPU); the Communications Regulators' Association of Southern Africa (CRASA); Universal Postal Union (UPU). The Commission also utilises the services of the African Advanced Level Telecommunications Institute (AFRALTI) to capacitate its employees on ICT studies.

The Commission tackles matters of common interests and strategic issues in the Communications sector with national institutions through Memoranda of Understanding (MoUs). The MoUs spell out common areas of convergence and mutual interest upon which both parties agree to cooperate and deliver on their expected outcomes. ESCCOM has established a number of MoUs with various institutions in the country and SADC region, with the intention of yielding benefits within the given period of time.

The institutions include: Financial Services Regulatory Authority (FSRA), Central Bank of Eswatini (CBE), Centre for Financial Inclusion (CFI), National Disaster Management Agency (NDMA), Eswatini Competition Commission (ESCC), Eswatini Economic Policy Analysis and Research Centre (ESEPARC), Eswatini Environment Authority (EEA), University of Eswatini (UNESWA), Eswatini Revenue Service (ERS), Royal Eswatini Police Service (REPS), and Central Statistics Office (CSO).

Furthermore, the Commission implements MoUs with the Independent Communications Authority of South Africa (ICASA), Autoridade Reguladora das Comunicações de Moçambique (ARECOM) and the Film and Publication Board of South Africa (FPBSA).

Through the MoUs the Commission continues to derive benefits and strengthen relationships with various entities. Consequently, the outcome is an enhanced role in pursuing the Commission's mandate.

Implementation of supporting strategies

In the course of operationalising its strategy, the Commission develops strategies that support the implementation of its five-year organisational strategy. A Stakeholder Management Strategy was developed to support and strengthen the organisation's capacity to fulfil its strategic

objectives while sufficiently engaging its stakeholders. A process of developing a Corporate Social Investment (CSI) Strategy was initiated. The implementation of supporting strategies continued to be monitored across the organisation.

The implementation of the Stakeholder Management Strategy was adversely affected by COVID-19 and as such planned Engagement Plans could not be executed as per timelines.

The Commission embarked on the development of a Corporate Social Investment (CSI) Strategy. The resultant CSI Programme will enhance the attainment of ESCCOM's mandate and in the process, enhance awareness amongst its stakeholders. At the close of the reporting period, the development of the CSI Strategy was ongoing and will be concluded during the first quarter of the next financial year.

Economic regulation

Economic Regulation entails the monitoring of competition and the regulation of markets and pricing in the communications sector. This involves:

1. Conducting regular market studies and performing reviews of the various markets to determine the effectiveness of competition;
2. Managing the cost of communication to ensure affordability;
3. Collection of ICT data and compilation of statistics to facilitate evidence-based decision making and policy formulation; and
4. Reporting on national ICT statistics and indicators.

While the COVID-19 pandemic delimited the full accomplishment of activities in line with the functions of Economic Regulation, the following activities were successfully undertaken in the period April 2021 to March 2022. The Commission continued with the collection of ICT data and computed market indicators, to track

growth of the ICT sector and also, for compiling macroeconomic statistics and annual forecasts by stakeholders.

Telecommunications market performance

Telecommunications subscriptions

The COVID-19 pandemic continues to bring positive spin-offs to the telecommunications industry in Eswatini, as connectivity and digitisation have become the lifeblood of socioeconomic activities, i.e. work from home, blended learning, e-health, fintech and e-government services to name a few. There was an observed positive growth in both connectivity and economic indicators mainly driven by the increased demand for broadband connectivity. On the other hand, voice services declined in the review period as they continue to be substituted by the use of digital platforms that offer Voice over Internet Protocol (VoIP).

Mobile market

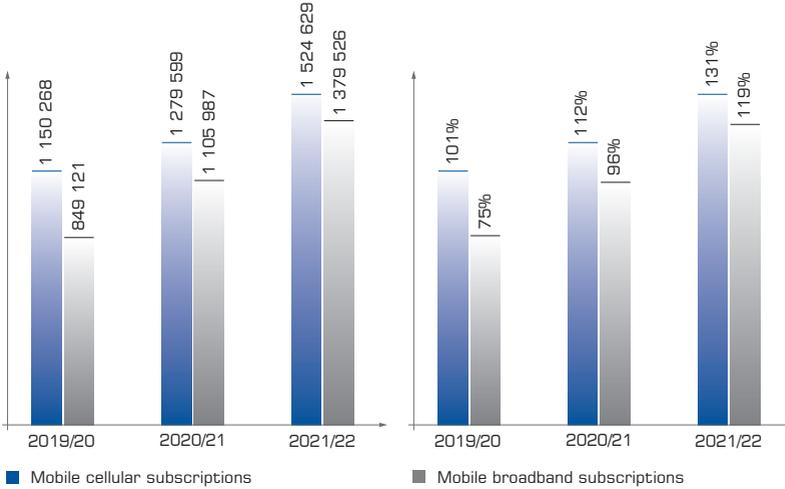
In the 2021/22 financial year, mobile cellular subscriptions increased by 19% from 1 279 599 in 2020/21 to 1 524 629 in 2021/22, where mobile cellular penetration increased from 112% in 2020/21 to 131% in 2021/22. Mobile broadband connectivity also increased by 25% from 1 105 987 in 2020/21 to 1 379 525 in 2021/22. Consequently, mobile broadband penetration increased from 96% in 2020/21 to 119% in 2021/22.

Growth in mobile connectivity in the review period was mainly attributed to the increased uptake of products and services tailored for work-from-home and blended-learning, launched into the market by mobile network operators at the height of COVID-19 lockdown. Furthermore, the increase in connectivity was enabled by an expansion of mobile network infrastructure undertaken in the period, which increased coverage and consequently access to mobile network services.

STRATEGY AND ECONOMIC REGULATION

continued

Figure 2: Mobile subscriptions and market penetration

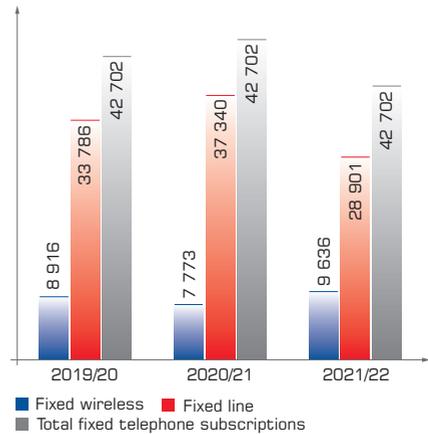


Source: ESCCOM, 2022

Fixed market

Fixed telephone subscriptions declined by 15% from 45 113 subscriptions in 2020/21 to 38 537 subscriptions in 2021/22. The decline was mainly attributed to the scourge of copper cable theft in the country, which continues to disrupt fixed line connectivity and has seen both business and household consumers switching to fixed wireless services.

Figure 3: Fixed telephone subscriptions

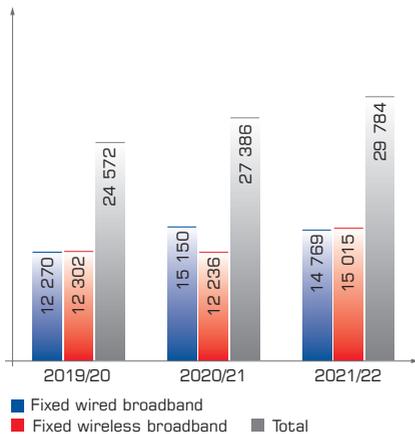


Source: ESCCOM, 2022

Internet

Fixed internet connectivity continues to follow an upward trajectory increasing by 9% from 27 386 to 29 784. This growth is mainly driven by fixed wireless internet connectivity, wireless internet network technology being an emerging technology in the telecommunications market in Eswatini which was previously dominated by ADSL-copper connectivity. In the period under review, fixed wireless internet connections grew by 23% from 12 236 to 15 015 surpassing fixed wired connections which declined by 2.5%.

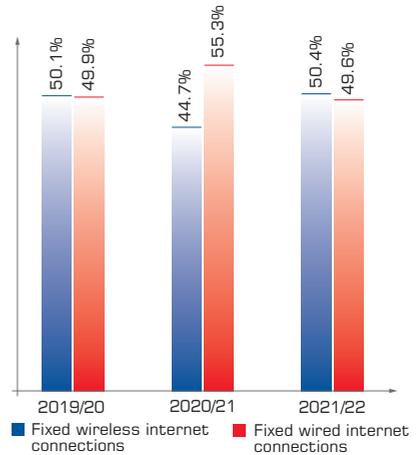
Figure 4: Fixed internet subscriptions



Source: ESCCOM, 2022

There was an observed shift in market share from fixed wired internet services towards fixed wireless internet service providers, reverting to market share levels observed in FY 2019/20. This is attributed to an observed increase in fixed wireless connections reported by MTN, Real Image and Jenny Internet in the review period.

Figure 5: Fixed internet subscriptions market share by technology



Source: ESCCOM, 2022

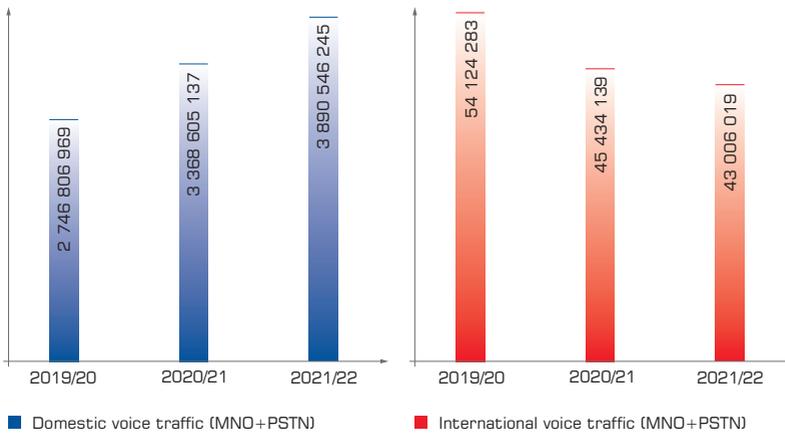
STRATEGY AND ECONOMIC REGULATION

continued

Telecommunications traffic

Domestic voice traffic minutes increased by 15% from 3 386 605 137 recorded in 2020/21 to 3 890 546 245 in 2021/22. Mobile voice traffic, measured by active mobile SIM cards, increased by 19%, in line with the growth in mobile cellular connectivity, which is attributable to increased mobile network coverage. International voice traffic minutes continued to decline, as it decreased by 5% from 45 434 139 in 2020/21 to 43 006 019 in 2021/22, mainly attributed to the increase in the use of digital platforms.

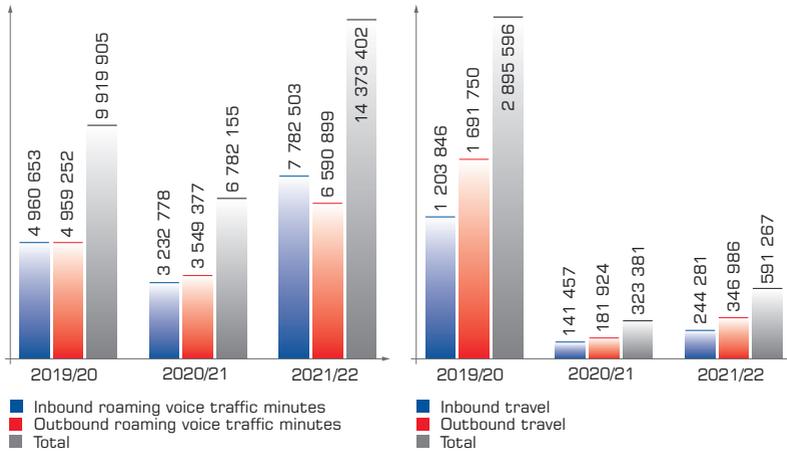
Figure 6: Voice traffic in minutes



Source: ESCCOM, 2022

Mobile roaming voice traffic is dependent on cross-border movement of people as observed from the country's travel tourism statistics. Total travellers across the country's borders and airport increased from 323 381 in 2020/21 to 591 267 in 2021/22, following the lifting of COVID-19 travel restrictions. Subsequently, roaming voice traffic minutes increased by 112% from 6 782 155 in 2020/21 to 14 373 402 in 2021/22.

Figure 7: Roaming voice traffic in minutes



Source: ESCCOM and Eswatini Tourism Authority (ESTA), 2022

Telecommunications revenue

Total revenue generated by licensees in the telecommunications industry increased by 8% from E2 053 490 907 in 2020/21 to E2 209 679 592 in 2021/22, mainly driven by an increase in data services. A 15% increase in data revenue was realised in the period under review where growth from E774 145 322 in 2020/21 to E894 037 390 in 2021/22 was achieved, exceeding voice revenue. This is consistent with the observed increase in demand for broadband connectivity in the period. Service providers responded with

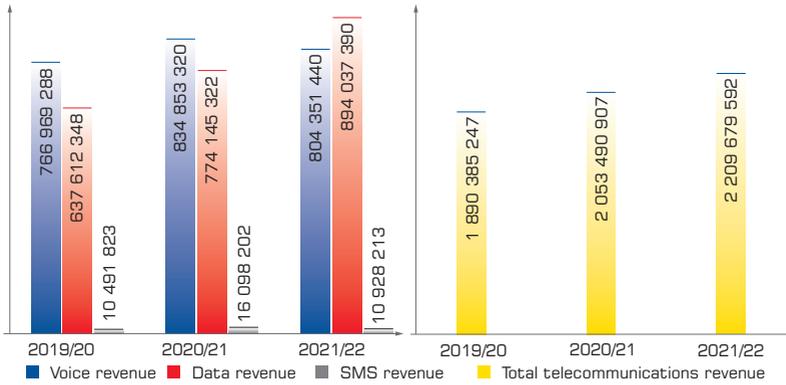
new product offerings to facilitate the work-from-home and blended-learning approach.

The increasing use of digital communication platforms which facilitate both voice and video calling for work from home and blended learning, had a substitution effect on voice services. As a result, voice revenue decreased by 4% from E834 853 320 in 2020/21 to E804 351 440 in 2021/22. Short Message Service (SMS) revenue also decreased by 32% from E16 098 202 in 2020/21 to E10 928 213 in 2021/22.

STRATEGY AND ECONOMIC REGULATION

continued

Figure 8: Telecommunications revenue at current prices



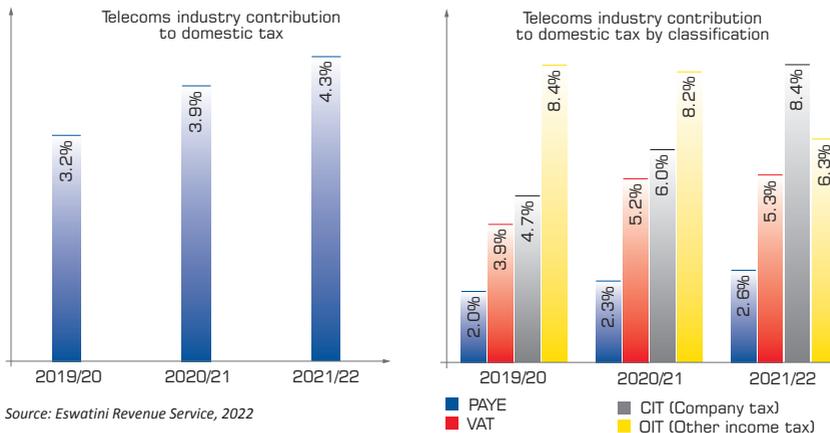
Source: ESCCOM, 2022

Contribution to domestic tax revenue

Total domestic tax revenue collected amounted to E10 786 960 753 (E10 billion) in 2021/22, an increase of 8% from E9 945 261 953 as reported by the Eswatini Revenue Service (ERS) in 2020/22. The telecommunications industry contributed 4.3% to total domestic taxes, an increase from 3.9% contributed in 2020/21. According to the Ministry of Economic Planning and Development, the advent of COVID-19 accelerated the demand for ICT services, which saw the sector record a spectacular increase in output by 14.4% in 2021.

The telecommunications industry's contribution to company income tax (CIT) revenue collected increased from 6% in 2020/21 to 8% in 2021/22. Contribution to VAT collected increased slightly from 5.2% in 2020/21 to 5.3% in 2021/22. Pay as Your Earn (PAYE) contribution to domestic tax increased from 2.3% in 2020/21 to 2.6% in 2021/22. This is in line with the increase in persons employed in the period as shown in figure 9.

Figure 9: Telecommunications contribution to domestic tax revenue

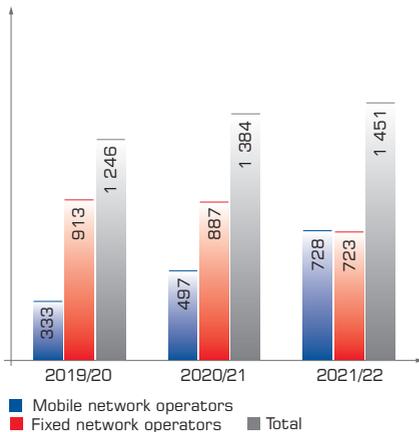


Source: Eswatini Revenue Service, 2022

Employment

The number of persons employed in the telecommunications industry increased from 1 384 in 2020/21 to 1 451 in 2021/22. The growth was attributed to an increase in the number of persons employed by Mobile Network Operators (MNOs) from 497 in 2020/21 to 728 in 2021/22. Persons employed by fixed network operators decreased from 887 in 2020/21 to 728 in 2021/22.

Figure 10: Persons employed in the telecoms market



Source: ESCCOM, 2022

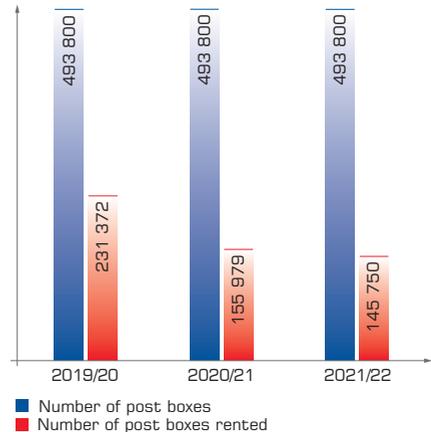
Postal market performance indicators

The COVID-19 pandemic emerged at a time when the performance of the postal services in Eswatini was already on a decline, as a result of increasing competition and substitution by digital services. On the other hand, the emergence of digital services presents an opportunity for the Post Office to capitalise on parcel and logistics services as well as e-Commerce.

Post box rental

Post boxes continued to be underutilised as observed in the proportion of boxes rented compared to un-let boxes. Rentals had already been on a decline before the advent of COVID-19, as consumers continued to shift to digital communication services. The number of post office boxes rented decreased by 7% from 155 979 in 2020/21 to 145 750 in 2021/22.

Figure 11: Total number of post boxes and number of post boxes rented



Source: ESCCOM, 2022

Domestic letter mail

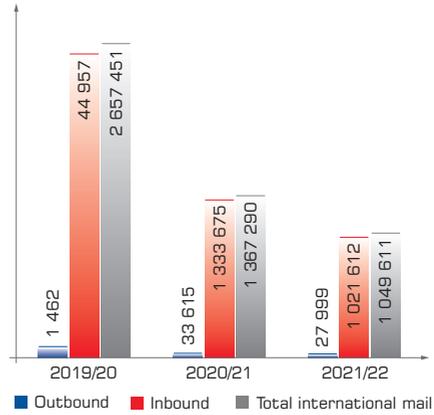
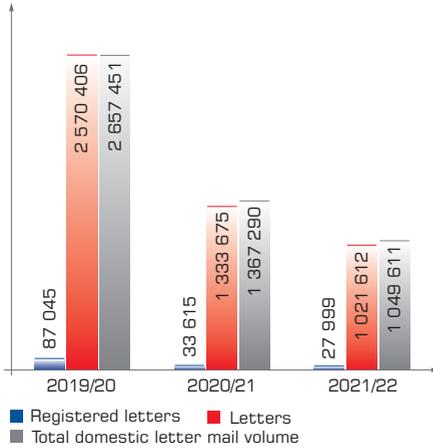
Domestic letter mail volume decreased by 23% from 1 367 290 in 2020/21 to 1 049 611 in 2021/22. Unregistered letters, which account for 97% of total domestic letter mail, declined by 23% while registered mail decreased by 17%.

STRATEGY AND ECONOMIC REGULATION

continued

Figure 12: Total domestic letter mail volume

Figure 13: Total international mail volume



Source: ESCCOM, 2022

Source: ESCCOM, 2022

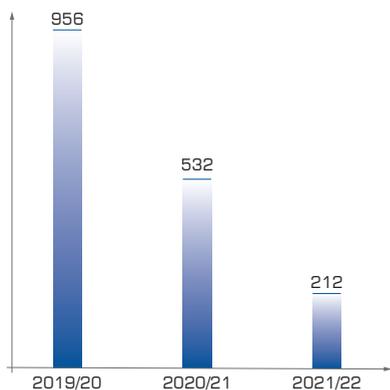
International mailing services

International mailing services, which were already on a downward trajectory due to an increase in digitisation, were further affected by the restrictions imposed on international travel. This resulted in disruptions to global supply chains, particularly in the aviation industry. International mail volumes decreased by 7% from 19 919 in 2020/21 to 18 497 in 2021/22. This decrease was attributed to a 10% decline in outbound mail, which accounts for 94% of total international mail. Inbound mail on the other hand increased by 111% in the review period.

Express mail services

Express Mail Services (EMS), like international letter mail services, has been substituted by digital communication services, which are an efficient alternative. Eswatini Post only offers inbound EMS. Express mail service volumes recorded a decline of 60% from 532 in 2020/21 to 212 in 2021/22.

Figure 14: Express mail volume

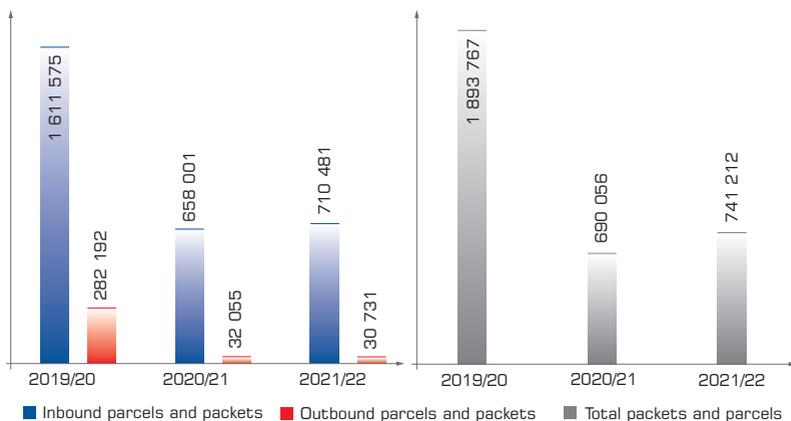


Source: ESCCOM, 2022

Parcel and packets volume

Parcels and packets recorded an immediate positive response to the relaxation of travel restrictions. Volumes recovered to record an increase of 7% from 690 056 in 2020/21 to 741 212 in 2021/22. This trend may be attributable to an increase in inbound volumes, which comprises mainly of parcels from mainland China, by 4% from 658 001 in 2020/21 to 710 481 in 2021/22. Outbound volumes decreased by 4% from 32 055 in 2020/21 to 30 731 in 2021/22.

Figure 15: Parcel and packets volume



Source: ESCCOM, 2022

EMPLOYMENT IN THE POSTAL SECTOR

The increase in the employment of persons in the postal sector was marginal. An increase of 2.44% was realised where a total of 168 in 2021/22 were in employment as compared to 164 in 2020/21.

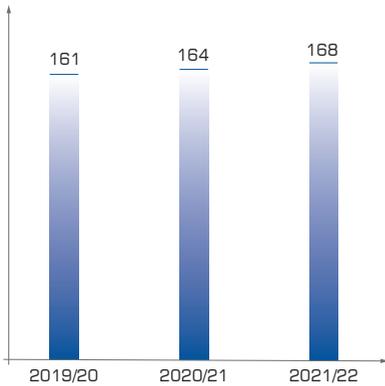
STRATEGY AND ECONOMIC REGULATION

continued

Employment in the postal sector

The increase in the employment of persons in the postal sector was marginal. An increase of 2.44% was realised where a total of 168 in 2021/22 were in employment as compared to 164 in 2020/21.

Figure 16: Persons employed in the postal sector



Source: ESCCOM, 2022

Cost to communicate reduction programme

In 2021, the Commission undertook a Pricing Benchmark Study. The study sought to measure the progress and effectiveness of the previously implemented Price Transformation Programme. The findings of the study revealed that at wholesale level, Eswatini had made significant progress in lowering leased line and internet bandwidth costs. Despite this improvement, the country's data cost is still considered to be high when compared with regional peers.

As a result, the Commission introduced another three-year glide path (2022/23 – 2024/25) where wholesale rates were to be reduced by an average of 60% over the period, as shown in the below table. The first phase of the wholesale reductions will be effective on 1 April 2022 and will be passed

on to retailers and ultimately to consumers for the next three years.

Direct and indirect advocacy by the Commission on reducing the cost of communication in the country, continued to yield results as more products and services designed for students were launched as well as price reduction for dedicated internet for schools and non-governmental organisations.

Table 1: Percentage reduction of wholesale national leased lines and internet rates three-year glide path (60%)

Year	Wholesale national leased lines rates across all speeds	Wholesale internet bandwidth rates
2022/23	20%	25%
2023/24	25%	29%
2024/25	33%	29%

Source: ESCCOM, 2022

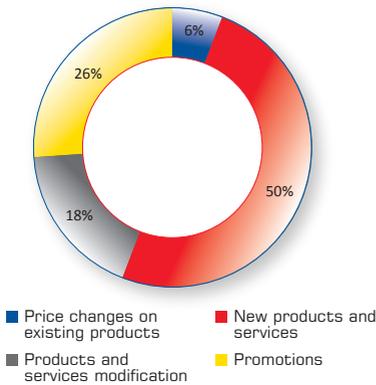
Approval of products and services

During the year under review, 50% of applications received by the Commission for approval were new products and services that were launched into the market. These efforts demonstrated a continued determination by operators to ease the burden of the COVID-19 conditions and the lockdown regulations. These new offerings enabled consumers to work and study from home. The new products and services introduced, ranged from home offers, data bundles for learners to accommodate the blended learning approach and others designed for business.

Operators also streamlined existing service offerings in response to the ever-changing consumer needs and product performance. This was done through modifications of terms and conditions as well as running of promotions intended to stimulate activity in the market.

Figure 17 depicts a breakdown of the overall percentage of the products and services approved during the 2021/22 FY.

Figure 17: Products and services approved during the 2021/22 FY



Source: ESCCOM, 2022

Analysis of applications by operator

MTN Eswatini launched twelve (12) new products, eleven (11) promotions and eight (8) modifications, catering for both the individual and business customer. Time-based unlimited data bundles with high speeds of up to 10 Mbps were introduced for individual customers. Further to this, MTN introduced bundles for customers with disabilities such as hearing and speech impairment.

Various promotions were launched targeting the youth market, the adult market through gaming where customers won cash prizes as well as a combo promotion offering intended for small and medium enterprises (SMEs) and non-governmental organisations (NGOs). Businesses were given an opportunity to improve operational efficiency by introducing Microsoft packages. Pricing for dedicated internet for businesses, NGOs and learning institutions was

reduced by an overall average of 22%, 24% and 17% respectively, while retail sponsored bundle prices were reduced by an overall average of 41%.

SwaziSat is one of the two licenced ISPs that deliver internet connectivity through satellite as opposed to the usual terrestrial networks. The ISP introduced five (5) new products and services, which included Small and Home Office plans as well as a 5 GB back-up plan to support business continuity during power outages.

Wanderport as a new entrant into the market revised upward the price for the introductory packages launched in the previous year and further introduced new Home Wander and Business Wander packages.

Amongst its general and primary functions, the Commission is mandated by the ECA to ensure that all communications services are provided in a manner that will best promote economic and social development. Section 6(f) of the ECA stipulates that the Commission is to ensure the existence of a wide range and variety of communication services. Moreover, section 7(v) of the Act stipulates that the Commission shall establish a pricing system to protect end-users from excessive price increases and to avoid unfair price competition. In performing these functions, the Commission ensures retail tariff transparency, thus encouraging competition whilst minimising pricing and product information asymmetries in the sector. These functions are executed through the publication of the following:

Tariff analysis report bi-annual

The report discusses the various retail tariff plans, promotions, products and services introduced and amended by operators on a half-yearly basis. It keeps customers informed about the changes on products and services.

STRATEGY AND ECONOMIC REGULATION

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Catalogue of products and services

The catalogue of products and services is produced on a quarterly basis and shows the prices and validity periods of all products and services. It enables customers to make informed choices, in terms of tariff plan preferences and/or preferred service providers based on the different offerings.

Broadband targets 2025

A collaboration between the International Telecommunications Commission (ITU) and the United Nations Educational, Scientific and Cultural Organisation (UNESCO) in May 2010 led to the formation of the Broadband Commission for Sustainable Development. The purpose of the Commission is to promote internet access in order to help achieve United Nations development goals, such as the Millennium Development Goals.

The Broadband Commission has seven targets and they are as follows:

- Target 1: Make broadband policy universal
- Target 2: Make broadband affordable
- Target 3: Make everyone online
- Target 4: Promote digital skills development
- Target 5: Increase the use of digital financial services
- Target 6: Get micro, small and medium enterprises (MSME) online
- Target 7: Bridge the gender digital divide

ESCCOM conducted an exercise using the five ITU price baskets to determine the extent to which the Kingdom of Eswatini is meeting Target 2, which requires the country to make broadband affordable at 2% of GNI per capita. The country has met the target of 2% on the mobile low usage and fixed broadband baskets and exceeded target on mobile data and voice low consumption basket and achieved 1%. At 4% on data only broadband basket and 4% on the mobile data and voice high consumption basket, Eswatini has not met the 2% target.

Table 3: ITU price baskets

ICT price basket	Minimum monthly allowance			Broadband target	As a percentage of GNI
	Voice (minutes)	SMS (#)	Data		
Data only mobile broadband basket	–	–	2 GB	2%	4%
Mobile data and voice low consumption basket	70	20	500 MB	2%	1%
Mobile data and voice high consumption basket	140	70	2 GB	2%	4%
Mobile cellular low usage basket	70	20	–	2%	2%
Fixed broadband basket	–	–	5 GB	2%	2%

Source: ESCCOM, 2022

Eswatini ICT access and use survey

In the period under review, the Commission commenced the Eswatini ICT Access and Usage Survey (ICTAUS) project in partnership with the Central Statistical Office. The ICTAUS is the first-of-its-kind national survey that will measure the level of access and use of ICT by households and individuals in the Kingdom of Eswatini.

The survey aims to gather comprehensive demand-side ICT data, which will provide key statistical data on the ICT market in Eswatini. This comprises the level of access and usage of ICT by households and individuals, ten (10) years and older (including people living with disabilities), affordability, ICT skills, user satisfaction, and perception of the quality of ICT services in the country. Furthermore, the survey will provide statistical information on emerging developments and issues in the ICT market, namely, the level of participation in e-Commerce, postal services, broadcasting services, access and use of online services, awareness on cybersecurity, privacy rights and responsibilities.

Survey tool design

The ICTAUS project kicked-off in the second quarter of the 2021/22 financial year with Phase 1, Survey Planning and Design. The phase entailed defining the objectives and target population of the survey; survey tool design; sampling; recruitment and training of enumerators.

Questionnaires for both households and individuals were designed to measure access and use of ICT; affordability; ICT skills; participation in e-Commerce; postal services; broadcasting services; access and use of online services; awareness on cybersecurity; privacy rights and responsibilities; and user satisfaction and perception of quality of service of ICT services in Eswatini.

Sampling and sample size

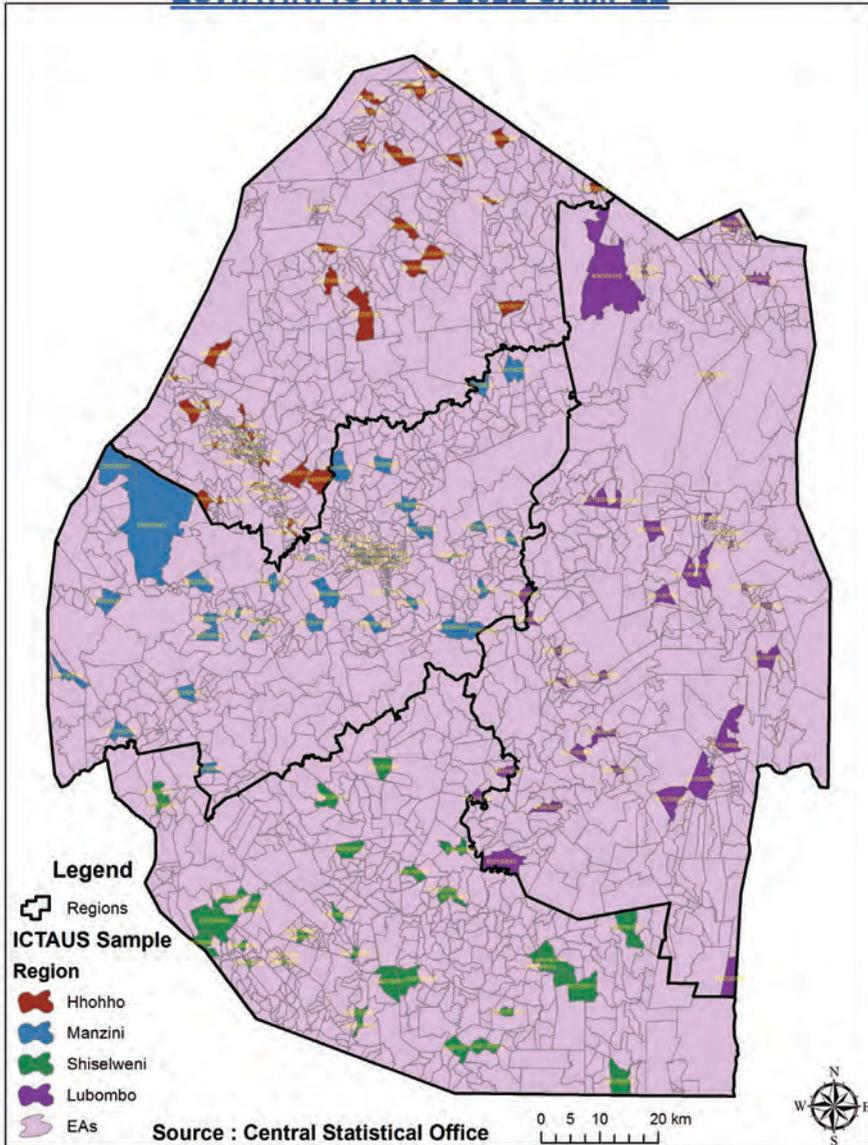
A sample size of 2 520 households was selected from a total of 168 Enumeration Areas (EA) across the country was determined, as shown in the Geospatial Distribution Sample Map below, with an aim to yield estimates at 95% level of confidence. A total of 15 households were randomly selected in each EA to be interviewed using the household questionnaires.

STRATEGY AND ECONOMIC REGULATION

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Figure 18: Eswatini ICTAUS 2022 sample

ESWATINI ICTAUS 2022 SAMPLE



Stakeholder consultation

The Commission has a Stakeholder Management Strategy in place, which articulates the need for effective engagements with stakeholders, and further guides the processes of information dissemination to both internal and external stakeholders. As such, ESCCOM hosted a stakeholder workshop before the commencement of the survey, to validate the project. The survey objectives, methodology and questionnaires were presented to representatives from industry, academia and policy institutions. Input and comments received from this exercise were received and incorporated in the questionnaires.

Data collection commenced in the fourth quarter of the period under review and is expected to be completed in the first quarter of 2022/23 FY. Subsequent to the completion of the data collection phase, the next stages to conclude the project will involve data processing, data analysis and report writing.

Development of accounting separation guidelines

The Eswatini Communications Commission (ESCCOM) is enjoined with the responsibility to administer certain aspects of the Competitions Act, 2007 and the Fair-Trade Act, 2001 in the ICT market, as they relate to the sectors regulated by the Commission. In carrying out this mandate, ESCCOM in exercise of its mandate under section 7(c) of the Eswatini Communications Act, 2013, has developed regulatory accounting separation guidelines, aimed at guiding vertically integrated players in the broadband market. The guidelines intend to: identify and prevent any undue discrimination or practices that substantially lessen competition such as cross-subsidisation and margin squeezes, to the detriment of end-users; and ensure that pricing for interconnection or access activities is cost-based, transparent and non-discriminatory.

Additionally, the guidelines seek to assist the Commission in the monitoring of licensees' compliance with regulatory obligations; and provide an environment which fosters open and transparent financial reporting within the Electronic Communications sector. Stakeholders in the ICT industry were consulted to solicit their input into the guidelines. The guidelines will be published in the first quarter of the next financial year.

Consumer affairs and communications

Consumer affairs

Consumer Affairs is enjoined with the responsibility of executing this function through ensuring end-user protection and privacy, quality communication services and equipment, complaints resolution and educational outreach initiatives.

The Commission is mandated to empower consumers of ICT products and services, promote the interests of end-users and protect consumers, particularly vulnerable groups, from exploitation, abuse and harm by providers of ICT services.

Complaints resolution

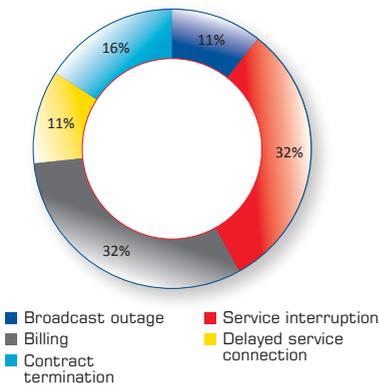
In the process for service provision, disputes often occur between the service provider and the consumer, thus requiring intervention by the Commission. As such, the Commission has developed a mechanism to investigate complaints filed by end-users of electronic communication, broadcasting as well as postal and courier services. These complaints are received through various communication channels and are actioned in line with the established consumer complaints handling procedure. This service is offered free of charge to all consumers.

STRATEGY AND ECONOMIC REGULATION

continued

In the year under review, the Commission received a total of 19 complaints against service providers, mainly in the telecommunications sector. The majority of these disputes were related to billing and service interruption, shown in figure 19 and were all resolved following engagements with the cited operators.

Figure 19: Consumer complaints



Source: ESCCOM Data, 2022

An online complaints handling procedure is available on the Commission’s website to guide consumers on how to lodge their complaints. These complaints can be submitted online, telephonically, and in writing by post.

Commemorations and consumer outreach activities

The Commission affiliates to international, regional and local bodies and thus recognises and commemorates key events that relate to the mandate. The main purpose of the commemorations is to raise awareness on annual themes, current issues and partner organisations in relation to the ICT industry. Consumers are also educated on emerging issues within each sector during these commemorative events.

During the year under consideration, the following activities were carried out:

World Post Day

In October 2021, an event was held to commemorate World Post Day. World Post Day marks the anniversary of the establishment of the Universal Postal Union in 1874. It recognises the invaluable contributions of postal workers to societies and economies. The theme for the year was “Innovate to Recover”. Recovering was noted as a challenge to the industry for renewal after the COVID-19 global crisis.

National letter writing competition

The national letter writing competition for young people was launched in October 2021. The Commission partnered with EPTC, UNICEF Eswatini, Macmillan, and World Vision to run the competition. The theme was “write a letter to a friend or relative telling them about your COVID-19 experience”. A total of 1 143 entries were received out of which 12 won prizes ranging from laptops, mobile devices and books. Schools with the most entries also qualified to receive educational supplies.

On 8 February, the Commission shared commemorative messages, internally and externally, on Safer Internet Day. The Commission also participated in a webinar hosted by the African Telecommunications Union (ATU).

World Radio Day was commemorated on 13 February 2022, with the theme “Radio and Trust”. Theme images were shared on social media to raise awareness on the role of radio in society. In March 2022, the Commission also joined the global consumer rights movement in recognition of World Consumer Rights Day. The Commission participated in a virtual workshop on Fair Digital Finance, in line with the 2022 theme.

Eswatini National Cybersecurity Awareness month

November is Eswatini's National Cybersecurity Awareness month. This annual campaign is meant to increase Eswatini's awareness on cybersecurity threats and how they can be avoided. The 2021 theme was "Tiphephise, Be Cyber Smart". Amongst the activities of this campaign was a cybersecurity workshop for IT professionals from the country's financial sector, ICT companies and critical infrastructure organisations. A phishing simulation to gauge cyber awareness amongst internet users was also part of the activities. Key messages of the sub-themes were disseminated using various platforms including print, broadcasting and digital platforms.

Participation in Communication sector events

The Commission participated in the following forums:

- The **Girls in ICT 2021** high level webinar was hosted by the ITU – this was a 10-year anniversary commemoration. The annual event was themed "Connecting Girls, Creating Brighter Futures", and panellists for the forum included the ITU Secretary General, Houlin Zhou and the UN Youth Envoy, Jayathma Wickramanayake. Discussions were focused towards promoting inclusive, equal access and use of ICTs for girls, as well as exploring ways of achieving equality in ICT for a creative economy. ESCCOM shared information on social media to raise awareness on the Girls in ICT initiative.
- **The Financial Inclusion Global Initiative (FIGI) Symposium** was held online, from 18 May to 24 June 2021. The event was hosted by the ITU in collaboration with the World Bank and funded by the Melinda Gates Foundation. The global platform was used to facilitate

dialogue amongst governments, telecom and financial sector authorities, financial service providers, academia and related stakeholders from around the world to share experiences, showcase initiatives as well as perspectives on scaling up digital financial services especially in the areas of policy, technology and business. The Commission participated during sessions that were relevant to Eswatini ICT sector development.

- **Eswatini's INDABA X** was held at UNESWA on 26 and 27 August 2021.

This event was hosted by ESCCOM alongside Financial Services Regulatory Authority (FSRA), Central Bank (CBE), the Centre for Financial Inclusion (CFI) and UNESWA. The discussions centred around machine learning and artificial intelligence developments in Eswatini. To conclude this event, a Hackathon was launched, where the participants were expected to use a data science platform to develop a computer program. Qhawe Matimela emerged as the Eswatini 1st prize winner and took home E10 000.

Stakeholder engagement

In the period under review, the conditions resulting from the COVID-19 environment negatively impacted the implementation of the Commission's Stakeholder Engagement Plan. The plan comprised mainly of physical interactions with stakeholders, which could not be held. Alternative means had to be deployed to facilitate execution of planned activities through the use of technology. In April 2021, virtual sessions were held with editorial and advertising teams from the main media houses in Eswatini, both print and electronic. The discussions focused on the working relationships and provided a two-way platform for feedback between ESCCOM and the organisations. Also covered in the sessions were agreements on advertising rates and coverage for ESCCOM events.

STRATEGY AND ECONOMIC REGULATION

continued

The Commission also established, for the first time, a formal relationship with both the Consumer Association of Eswatini and the Eswatini Consumer Forum. The purpose of these partnerships is to collaborate on consumer protection of electronic communications services' users.

In the process of developing regulatory frameworks, the Commission is mandated to solicit input from relevant stakeholders. In line with this requirement, a number of stakeholder workshops were hosted to discuss a number of proposed regulatory frameworks.

A stakeholder engagement workshop was held for postal and courier operators, to discuss licensing guidelines for potential and existing post and courier service providers. A workshop was also hosted for broadcasting licensees and independent content producers.

In January 2022, the Commission supported the Ministry of ICT in hosting a Stakeholder Consultation Workshop on Eswatini's Digital Strategy development. This was meant to sensitise stakeholders on the Strategy Objectives, the Digital Strategy Roadmap, as well as to invite input into the final process and the implementation plan. The workshop was attended by representatives from government, civic society, regulated entities as well as other sector regulators.

Additionally, in March 2022, the Commission hosted a stakeholder workshop for the country's internet service providers (ISPs) to create awareness on the proposed Business Continuity and Disaster Recovery Guidelines. The aim of the guidelines is to establish the necessary processes, plans and systems for improving network resilience and recovery, as well as assuring continued service availability during a disaster.

National support

The Commission continued to support the country's leadership through contributions towards the hosting of national events. On 18 December 2021, a contribution of fifty thousand Emalangeni (E50 000) was made towards the hosting of the annual Incwala cultural event. The contribution was presented to His Majesty the King at Engabezweni Royal Residence.

Communications

The Communication function of an organisation plays a vital role, that of creating, promoting and maintaining maximum visibility of initiatives and activities to internal and external stakeholders. This objective is achieved through the consistent use of integrated media platforms, both traditional and those availed by emerging technologies. Furthermore, it is also responsible for media relations, including facilitating responses to media enquiries, coordination during events, scheduling press releases and interviews.

Publications and advertising

The Commission publishes notices on all regulatory interventions introduced to create awareness before implementation. These notices are published in the print media, being Eswatini's two daily national newspapers; the Times of Eswatini and the Eswatini Observer. Final decisions are further published in the Government Gazette and the ESCCOM website as permanent records for reference.

In a bid to positively influence public perception, the Commission utilised the different media to place adverts and distribute information about programmes implemented during the year under review. These comprised radio adverts, advertorials and TV commercials, as well as print media which were produced to create awareness

of initiatives on the work of the Commission and demystify misconceptions about the ICT industry. These were produced in both official languages and featured in the print media and on the local broadcasting stations; Channel YemaSwati, Eswatini Broadcasting Information and Service (EBIS), Eswatini TV and Voice of the Church (VOC). The Commission also joined Emaswati to celebrate national events by featuring adverts in electronic, print and social media platforms.

Publications

The Commission published its newsletter, COMMSREG, in June 2021. The newsletter shares updates and information on ESCCOM's internal and external activities and projects including events. Copies of this publication are distributed to key stakeholders at events where the Commission participates. The COMMSREG is also available on the ESCCOM website.

For internal stakeholders, updates are shared electronically through the "Weekly RoundUp", where employees are sensitised on programmes undertaken by the Commission.

During the cybersecurity commemoration month being November, the Commission printed a brochure to increase awareness and share tips on the safe use of the internet by Emaswati and how to protect their devices and families from cybercriminals. This brochure was distributed to primary stakeholders in the cybersecurity working group including Eswatini Bankers Association (EBA), the Ministry of ICT, Royal Eswatini Police Service (REPS) and UNESWA.

Social media

The Commission maintained presence on three social media platforms; Facebook, Twitter and LinkedIn. The size of the social media communities has been increasing, with Twitter providing the highest engagement due to pollination of content with partners and shared messaging with international organisations. Social media platforms facilitate consumer feedback and an on-time complaint resolution mechanisms, while enhancing visibility for the Commission's activities.

For internal stakeholders, a WhatsApp group is utilised to timeously share information of a social nature relevant to employees, as a complement to formal communication channels.

Media analysis

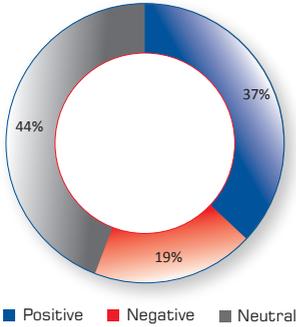
As part of the communication strategies for the 2021/22 financial year, the Commission continued to share key messages intended to educate external stakeholders and the general public on the mandate, implementation of projects and other industry-related issues.

The Commission aims to drive and maintain a high percentage of positive, educational and informative coverage on all media platforms. Media coverage of content related to the Commission is actively monitored, to determine any communication gaps and identify communication opportunities to influence brand perception and image. The Commission conducts sentiment tracking through continuous media analysis to determine public perception. During the year under review, the public perception was predominantly neutral, as shown in figure 20 on page 72.

STRATEGY AND ECONOMIC REGULATION

continued

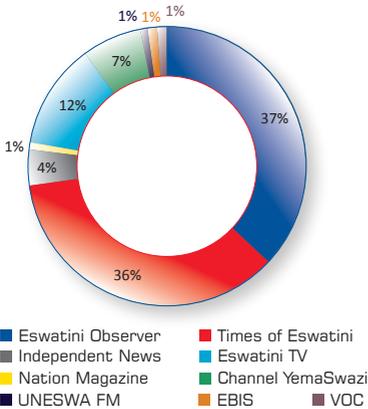
Figure 20: Media sentiment tracking for the 2021/22 FY



Source: ESCCOM, 2022

Print media remains the main platform for publishing content; however, the use of digital and electronic media is increasing as per the Commission’s communication strategy.

Figure 21: ESCCOM media placement and coverage for the 2021/22 FY



Source: ESCCOM, 2022

CHALLENGES

The limitations on gatherings and physical interactions compromised the implementation of stakeholder engagement plans. Where possible, meetings were held using online platforms. A number of engagements were deferred to the next financial year.

Late submission of data:

The late submission of data to the Commission by licensees has been a major setback to the timely production of ICT indicators, which are used in tracking the performance of the sector and inform national policy and strategies.

Deferred studies:

Market studies that were planned to be undertaken in the ICT market were deferred to give priority to the ICTAUS project.



FUTURE OUTLOOK

The Commission has commenced the process of developing the next five-year organisational strategy. A tender was issued inviting bidders for the development of the Commission's strategic plan. The process of selecting a preferred bidder will be concluded in the next quarter and thereafter commence the development of the strategy.

The Commission completed the development of a Corporate Social Investment (CSI) strategy. The resultant CSI programme will enhance awareness of the ESCCOM mandate amongst its stakeholders. The strategy identified three developmental areas that will be supported, namely: education; health; and poverty alleviation/livelihoods/job creation.

Completion of ICTAUS project:

The 2022 Eswatini ICT Access and Use Survey will be concluded in the second quarter of the next financial year. The survey report will be duly published in the 2022/23 FY.

Reduction in retail tariffs:

Following the completion of the price benchmark study and the reductions to wholesale rates, operators are expected to reduce retail rates to enable the Kingdom of Eswatini to meet the 2025 broadband targets, while reducing the cost of communication.

Operationalisation of Accounting Separation Guidelines:

The process of operationalisation of the completed Accounting Separation Guidelines will be implemented into the market in the next financial year.

The operationalising of the Consumer Protection Guidelines:

The Consumer Protection Guidelines will empower consumers and augment service delivery obligations by licensed operators.



SUPPORT SERVICES

The year 2021/2022 was still adversely affected by the COVID-19 global pandemic, and the Commission put in place measures to allow employees to work from home. This initiative assisted the organisation to continue to work towards achieving its strategic objectives while keeping employees safe from infection.

In the reporting period, the Commission's emphasis was strategically placed on conducting meaningful dialogue with all employees and stakeholders in order to support the business and attract and retain talent, and on ensuring that strategies and policies are in place to address the needs of employees, and that the work environment promotes innovation and encourages high performance.

Performance highlights

Through its people, the Commission successfully completed the following activities that were undertaken in line with ESCCOM's Strategic Plan for the period April 2021 to March 2022:

COVID-19

In ESCCOM's ongoing efforts to minimise risk of COVID-19 transmission within the working environment, staff continued to work from the office on a rotational basis, so that 50% employees were at the office at any point in time. Alongside safety at work, supporting our people's physical, mental and emotional wellbeing has never been more important. We have continued to help our employees protect themselves from the virus by working to remove barriers to testing and encouraging vaccinations to keep our workplace as safe and productive as possible.

Alignment to PEU Circular No: 2 of 2021

The Commission, being a Category-A Public Enterprise, has the legal duty to comply with the dictates of the Public Enterprise Unit (PEU). To this end, in October 2022, the Commission transitioned into PEU Circular No. 2 of 2021 on Control of Pay Packages which revoked PEU Circular No. 3 of 2016.

Skills audit

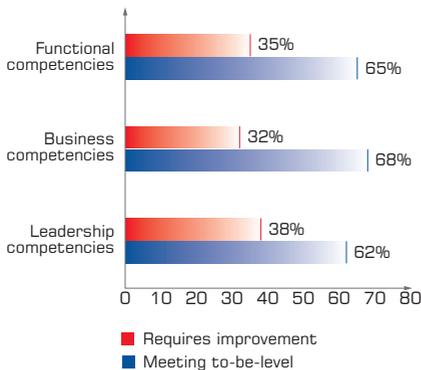
The Commission conducted an internal skills audit in order to identify the existing set of skills within the organisation, as well as to identify the skills and knowledge that the organisation will need in the future. The Commission is required to be fit for the digital age, hence the assessment of key skills that will position ESCCOM as future ready in the ICT sector.

The following competencies were assessed according to their respective maturity levels:



The overall results of the skills audit indicate that **more than 62%** of each skill type meet or exceed the required-to-be level:

Overall results of the skills audit



The as-is results of the skills assessment show that ESCCOM is well equipped with skills to keep up with the current business performance. However, in order to become future ready and to be able to regulate the dynamic ICT sector, ESCCOM is required to improve some of the current skills as well as consider a greater variety of new job roles which are becoming relevant.

Performance management

Despite the challenges imposed by the COVID-19 pandemic, the Commission still managed successfully to complete their performance objectives. ESCCOM’s Performance Management process is an extension of breaking down strategic goals into the organisational scorecard, which is then used to develop a departmental scorecard and the departmental scorecard is used to develop Individual Performance Agreements (IPA). The Commission’s performance for the period under review is evaluated **72%**.

Girls in ICT Development Programme

The Girls in ICT initiative is driven by a number of entities: International Telecommunications Union (ITU), United Nations (UN), etc., with the main aim to create a global environment that empowers and encourages girls and young women to consider careers in the growing field of ICT.

To this end, the Commission has taken a deliberate effort and adopted an internal **Girls in ICT Development Programme** which is applicable to the girl child who has the aspiration to pursue an ICT-related profession. The purpose of this initiative is to grow the skills within the ICT sector, encourage more women to pursue careers in the ICT sector and to provide the Commission with a structured manner to identify and appoint potential candidates to pursue a degree in ICT in an approved tertiary institution.

SUPPORT SERVICES

continued

When commemorating the 2022 International ‘Girls in ICT’ Day, the Commission awarded **Ms Unathi Dlamini** a full scholarship to complete her Bachelor of Science in Computer Science at the University of Pretoria.

Change of ESCCOM Provident Fund administrator

In pursuit of better returns from investment of the Commission’s Provident Fund, a resolution to withdraw the fund from Eswatini Royal Insurance Corporation (ESRIC), who has administered the fund from inception (*since 1 November 2014*) was made. Eswatini Insurance Brokers (EIB) was then appointed to administer the Commission’s Provident Fund.

Rewards and recognition programme

In our ongoing efforts to foster a high performance culture with both individuals and work teams, the Commission launched a rewards and recognition programme. Our very first ‘**Hholohhoho Awards . . . crème de la crème**’ were held in the reporting period. The main objective of this programme is to inculcate a culture where employees are valued for the contribution they make towards the success of the organisation and to further ensure that employees remain engaged in their work and are motivated to perform and contribute towards living the ESCCOM values.

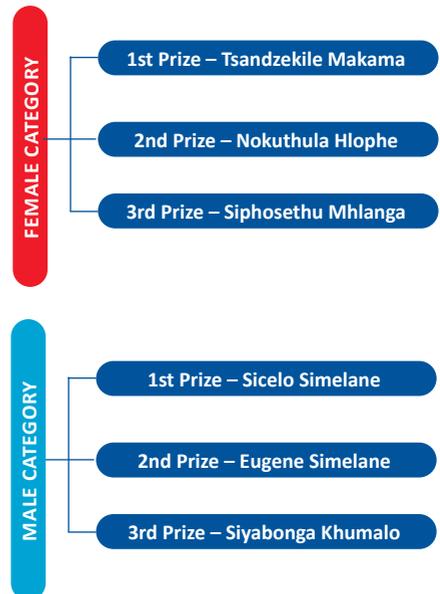
Employees were recognised for their commitment and engagement in the following categories:

1. Go-to person
2. Team player
3. Positive attitude
4. Happy chappie
5. Going the extra mile
6. Storyteller

Staff wellness

The Commission’s view is that promoting wellness increases employee productivity, and further improves employee value proposition:

- **Team building:** to reinforce leadership, communication and cross-functional collaboration within our team, a team-building exercise was hosted by Swazi-Trails at Nkonyeni Golf Estate.
- **#YehlaPhela weight loss challenge:** as we continuously attempt to ensure that our employees lead active and healthy lifestyles, the #YehlaPhela weight loss challenge was concluded with the following 2022 winners:



- **Long service awards:** The Commission recognised long-serving employees during the period under review. Eleven (11) employees who have been in continuous employment with the Commission for five (5) years were recognised and celebrated.

Recruitment and resignation

The reporting period introduced and bid farewell to the following positions:

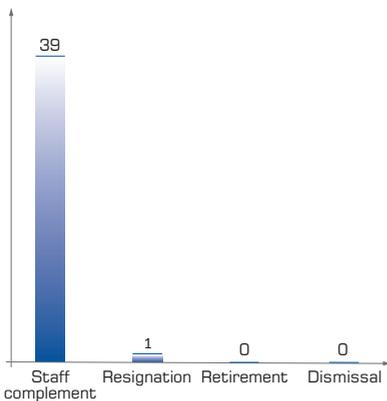
No	Position	Date
Positions filled		
1	Broadcasting Specialist	1 October 2021
2	Engineer – Quality of Service (QoS) Standards Development & Compliance	1 January 2022
3	Spectrum Planning & Management – Graduate Trainee	1 January 2022
4	Communications Officer	1 March 2022
Resignations		
1	Communications Officer	31 December 2021

Staff demographics

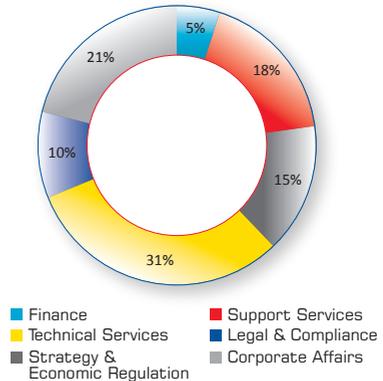
Staff complement

As at 31 March 2022, ESCCOM's staff complement was recorded at thirty-nine (39), with female representation **41%** and male representation **59%**:

Staff complement – 2021/2022



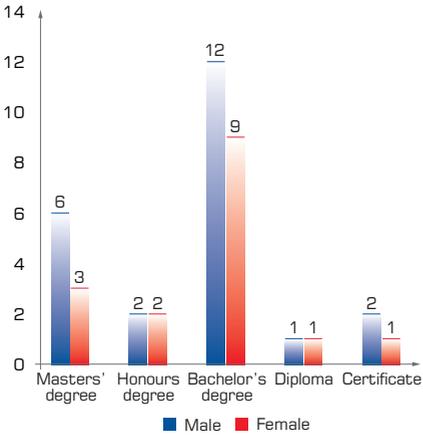
Staff complement – 2021/2022



SUPPORT SERVICES

continued

Staff complement – 2021/2022



Capacity building

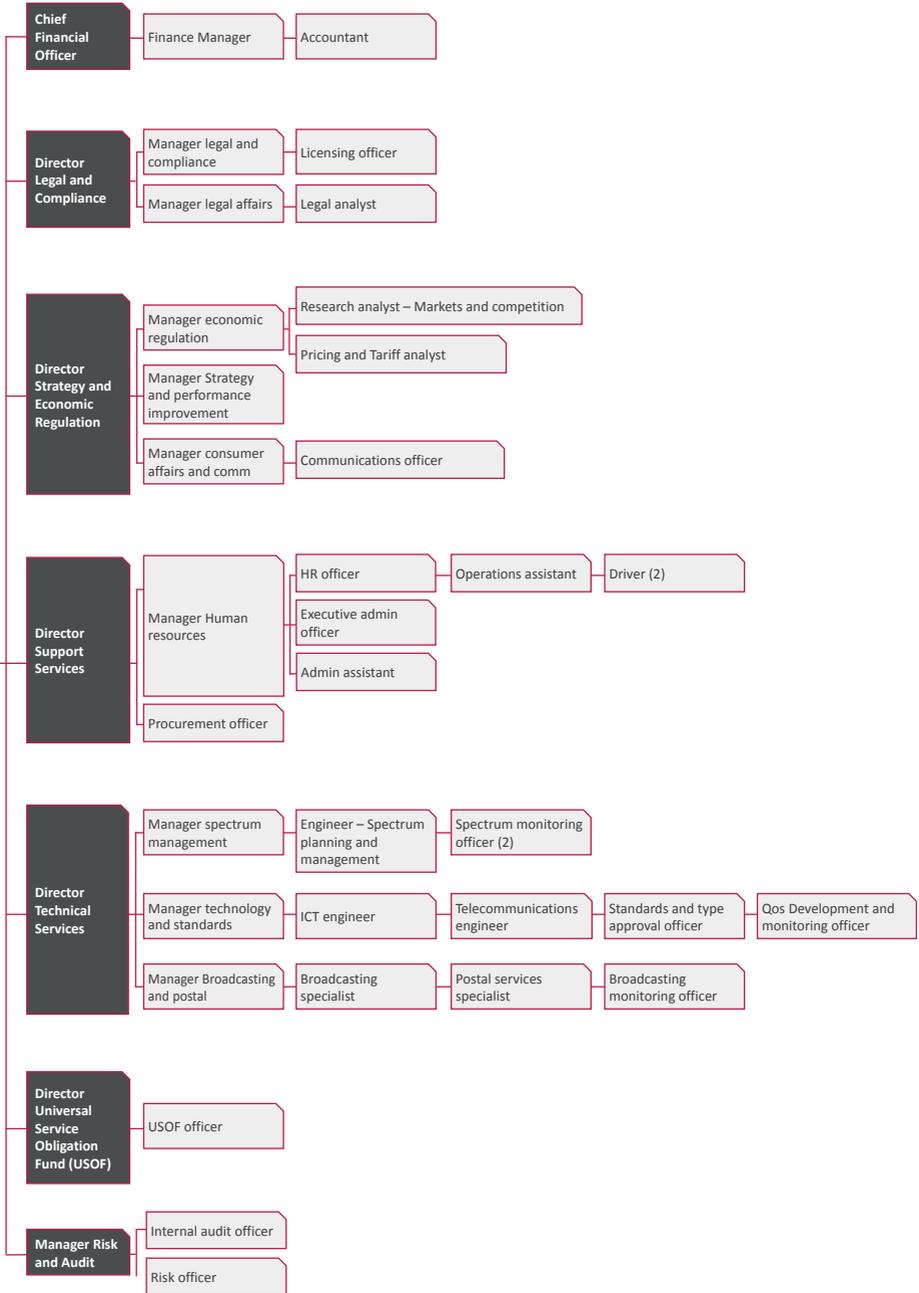
Human resources development

The Commission is fully committed to developing employees' knowledge, skills and abilities for both personal growth and organisational effectiveness through a variety of capacity building initiatives. During the FY 2021/22, the following capacity building initiatives were attended:

Workshops attended	Number of officers trained
IP Network & Migrating to IPv6	3
Masterclass on Broadband Gap Analysis	3
ISO 21500 Lead Project Manager	2
Data Protection	1
Digital Broadcasting Regulation in a Converged IP Environment	1
Corporate Governance Conference	2
Risk Management & Compliance Masterclass	1
GIBS Strategic Leadership	3
Office Management and Administration	2
Debt Collection and Budget Process Management Masterclass	1
CompTIA IT Fundamentals	1
PECB GDPR Certified Data Protection Officer	2
Senior Executive Program for Africa	1

CHIEF EXECUTIVE

PA to CE



SUPPORT SERVICES

continued

Meetings

The Commission participated both virtually and physically in industry events which take place at three levels:

- **Regional:** The Southern African Development Community (SADC), & Communication Regulator for Southern Africa (CRASA).
- **Continental:** African Telecommunications Union (ATU), Pan African Postal Union (PAPU) & African Advanced Level Telecommunications Institute (AFRALTI).
- **International:** International Telecommunications Union (ITU), Universal Postal Union (UPU), and Commonwealth Telecommunications Organisation (CTO).

Future plans

Re-launch the performance management system

As part of building blocks to entrench a high-performance culture, the Commission is in the process of reactivating the Performance Management System (PMS). In this regard, the PMS Policy is being reviewed to take into consideration some of the policy changes that are being introduced.

Implement the skills audit report recommendations

The internal skills assessment indicated that employees have the required business competencies; however, there are skills gaps for the future needs. Implementation of a staff training and capacity building plan will be a priority.

Identification of human resources requirements in the ICT sector

As mandated by section 6(i) of the Eswatini Communications Commission Act “to promote efficient management and human resource development within the communications industry”, the Commission is in the process of completing this exercise. The main objective of the exercise is to develop a competency framework that will enable the Commission to stipulate standardised skills mix, related knowledge and attributes to produce a job/task in order to set generally accepted standards of performance and help the players in the ICT sector to operate effectively.

Procurement

The procurement office continues to strive to conduct its procurement in a transparent and fair manner, while ensuring quality and value for money. We are committed to improving the internal processes and aligning them to the most recent Public Procurement Regulations. The year 2021/2022 has been both exciting and challenging for the office as we have embarked on a number of diverse projects running parallel to one another.

Compliance

According to the Eswatini Public Procurement Regulatory Agency’s (ESPPRA’s) compliance report, the Commission’s Procurement Division achieved a highly satisfactory rating for the 2021/2022 financial year.

Construction of ESCCOM head office

The tendering process for the construction of ESCCOM's proposed head office recommenced in the reporting period. Construction Associates was awarded as the main contractor for the proposed building works and the construction site was handed over in February 2022.

Tenders issued, approved or implemented in the year 2021/2022

Eleven (11) tenders were issued during the reporting period, out of the eleven, six (6) tenders were awarded and five (5) are ongoing. Table 1 shows a summary of tenders issued by the Commission during the financial year 2020/2021.

Table 1: Tenders issued in 2021/2022

Tender number	Tender name	Method	Comment
ESCCOM/TS/001/2020-2021	Proposed building works for ESCCOM head office	Open tender	Awarded
ESCCOM/FIN/001/2020-2021	Provision of external auditing services	Open tender	Awarded
ESCCOM/TS/001/2021-2022	Broadcast management system	Open tender	Awarded
ESCCOM/UAS/001/2021-2022	Supply and delivery of ruggedized tablets	Open tender	Awarded
ESCCOM/UAS/002/2021-2022	Government facilities connectivity	Selective tender	Awarded
ESCCOM/UAS/002/2021-2022	Provision of broadband wi-fi hotspots in public strategic areas	Selective tender	Awarded
ESCCOM/TS/004/2021-2022/1902L	Lifts installation for ESCCOM head office development	Open tender	Closed
ESCCOM/TS/004/2021-2022/1902HVAC	Heating ventilation and air conditioning (HVAC) system installation for ESCCOM head office development	Open tender	Undergoing evaluation
ESCCOM/TS/003/2021/2022/1902E	Electrical installation for ESCCOM head office development	Open tender	Undergoing evaluation
ESCCOM/TS/006/2021-2022	Proposed structural steel work including façade, staircase, parking canopies and walkways for ESCCOM head office development	Open tender	Undergoing evaluation
ESCCOM/TS/005/2021-2022	Proposed façade systems comprising: curtain walls, window walls, aluminium sunscreens, glazed canopies and glass balustrading for ESCCOM head office development	Open tender	Undergoing evaluation



UAS 2022

About UASF

Mandate

In 2013 the Government of Eswatini established the Eswatini Communications Commission (ESCCOM) entrusted with the responsibility of developing the communications sector in the Kingdom. Acting on this mandate, the Commission established the Universal Access and Service Fund (UASF) in terms of section 29 of the Electronic Communications Act, 2013, to ensure that all Eswatini have access to quality internet, broadcasting, and postal services at affordable prices.

All programmes, projects and activities implemented by the Fund in the 2021/22 financial year were tailored to support delivery of the mandate as guided by the 2021/2024 strategy document. This report covers the first year of the new strategy which seeks to promote innovation and alignment to the digital ecosystem. The goal is to provide access to the widest number of users, especially underserved and unserved communities with people living with disabilities.

Vision

To administer the Universal Access and Service Fund and facilitate the design and implementation of sustainable projects that deliver high quality and universally accessible, affordable digital and ICT services.

Mission

To increase access to broadband, broadcasting and postal services, therefore enhancing the socio-economic positioning of the citizens of Eswatini.

Values

- Accountability
- Innovation
- Integrity
- Collaboration
- Transparency

Governance

The UASF is managed by the Universal Service Committee (UASC) appointed by the Minister of ICT as provided in section 30. S24 of the Electronic Communication Act of 2013. In addition to formulating, executing and monitoring strategic plans, the committee is responsible for promoting the goal of universal service and access and designating licensees to carry out universal service obligations, among other functions. The ESCCOM Board offers the oversight and guidance role to the Fund activities and approves its budget.

2021/22 in review

Use of ICTs in the COVID-19 pandemic

School closures due to COVID-19 disrupted education, not just in Eswatini but across the globe. According to the World Bank (2021), emerging evidence from some of the highest-income countries indicate that the pandemic gave rise to learning losses and increased inequality. This widened the already existing digital divide between those who can afford communications services and those who cannot, particularly the internet required for online learning.

Nonetheless, COVID-19 also acted as a catalyst for the adoption of ICTs by both teachers and learners in schools. Learners were introduced to home-based schooling which increased the usage of ICTs, also used for social interactions and connections. During the pandemic the UASF mandate become more relevant than ever, particularly its five pillars supporting the realisation of the UASF strategy: subsidisation, availability, accessibility, ability and affordability.

Interventions

One of the objectives for the UAS Programme 1: Connectivity and User Interface (demand side measures) is to facilitate connectivity for schools and health facilities. During the pandemic, thousands of learners were at risk of falling behind due to school closures aimed at containing the

spread of COVID-19. The Ministry of Education with the help of development partners and the private sector, implemented remote education programmes.

The existing digital divide meant that most of the learners – particularly those in poorer households – could not have internet access, personal computers or TVs amplifying the effects of learning inequalities. Whilst the country still has a long way to achieve universal access, there are school education milestones to celebrate even during the COVID-19 pandemic. The remote education programme was successfully rolled out on radio (EBIS 1 and 2), newspapers (Times of Eswatini and Eswatini Observer) and Eswatini TV. This culminated in the successful writing of external exams whose results reflected high passing rates. Joining hands with Government, internet service provided home-schooling data packages which increased affordability of internet services and helped relieve parents of the economic burden brought by the new normal.

Programme update

The Fund met almost all the activities planned for financial year 2021/22. UASF in collaboration with the Commission was able also support initiatives submitted as request for funding. All requests were received from Government ministries and were in line with the mandate and the strategy for 2021/2024. Below is the detailed breakdown of activities completed under the year 2021/2022.

UAS 2022

continued

Programme	Description	Deliverable
Programme 1: Connectivity and User Interface (demand side measures)	<ul style="list-style-type: none"> To facilitate connectivity for schools and health facilities that are currently not connected to the network To upgrade to broadband and improve the connectivity already existing for health facilities, schools and future e-Government centres To encourage preferential cost-based rates for broadband connectivity for all facilities through regulatory incentives and the e-rate which is already provided for in the UAS Regulations and applicable to all schools, health facilities and other government facilities that require connectivity 	<p>DPM Office 800 smart phones for disabled persons and elders for quarterly social grants disbursement</p> <p>Ministry of Health 40 laptops for digitising health through the Health Management Information System</p> <p>Ministry of Home Affairs 14 desktops for their identity mopping programme</p> <p>Ministry of Tinkhundla Administration and Development 8 Tinkhundla service centres furnished with desktops, UPS and printers</p> <p>Ministry of Education – supported ICT in education. Supported 15 schools with students’ laptops (each school getting 45 laptops)</p> <p>Ministry of Education – supported learners with special needs. 30 specialised wheel chairs and 30 tablets procured</p> <p>eGovernment 19 regional offices assisted with last-mile connectivity</p> <p>EBIS Assist the national radio station with broadcasting equipment for covering national events live and also replace equipment that had reached end of life</p>
Programme 2: Fund Management	<ul style="list-style-type: none"> The Office has been set up and operationalised That Commission pays for the resources in order to not burden the Fund with administration costs 	<p>We have developed an identity for the Fund which is linked with the Commission</p>

Programme	Description	Deliverable
Programme 3: Network Infrastructure Enhancement and Broadband Connectivity (supply side measures)	<ul style="list-style-type: none"> To strengthen connectivity through fixed and mobile network infrastructure based on a technology-neutral approach To increase universal access and service (measured by population and geographic coverage) and to improve network reliability and redundancy 	<p>Upgrade of 15 2G sites to 4G for true broadband access. This project aims to improve the population coverage of 4G by over 70%</p> <p>Set up 29 subsidised public wi-fi facilities in strategic public areas with focus on the Tinkhundla centres and major country entry points. This service gives an opportunity to an ordinary Liswati to have access to 15GB of data per month for free</p>
Programme 4: Development of Eswatini Digital Access Centres (ICT hubs)	<ul style="list-style-type: none"> To support accessible local content with three focus areas: <ol style="list-style-type: none"> 1) digitising and sharing government content, which will primarily be digitised 2) facilitating user generated content 3) broadcasting content that can also be streamed online To support platform and application development 	<ul style="list-style-type: none"> We have managed to partner with the Ministry of Health in rolling out the HMIS Lite which seeks to enable health practitioners to service patients even when they are not in the health centres Partnered with Eswatini TV to improve the mobile app to increase access to local content via the app Working with Eswatini TV we have developed a concept of setting up a local content hub studio
Programme 5: Digital Literacy and ICT Impact Training	<ul style="list-style-type: none"> To provide capacity building and training to support the use of ICTs by all end users across sectors and economic segments (i.e., SMMEs, households, schools, etc.) To ensure that all programmes that are rolled out by the Fund (Programmes 1 to 4) include an appropriate element of capacity building and training to ensure sustainability and maximum impact 	<ul style="list-style-type: none"> Conducted a capacity building workshop for local script writers, film producers. This programme equips Emaswati to have the necessary skills to produce local content Conducted a workshop with UNESWA and Ministry of Education on including learners with disabilities teacher's module in the online course offered by the university

ESCCOM FINANCIAL STATEMENTS

For the year ended
31 March 2022

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BOARD OF DIRECTORS' RESPONSIBILITY STATEMENT

For the year ended 31 March 2022

The Directors are required in terms of the Eswatini Communications Act 10 of 2013 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Commission as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards applicable for Small and Medium Enterprises. The external auditors are engaged to express an independent opinion on the financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards applicable for Small and Medium Enterprises and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Commission and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Commission and all employees are required to maintain the highest ethical standards in ensuring the Commission's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Commission is on identifying, assessing, managing and monitoring all known forms of risk across the Commission. While operating risk cannot be fully eliminated, the Commission endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Commission's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the Commission has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Commission's annual financial statements. The financial statements have been examined by the Commission's external auditors and their report is presented on pages 88 to 89.

The annual financial statements set out on pages 90 to 107, which have been prepared on the going concern basis, were approved by the Board of Directors on 28 June 2022 and were signed on its behalf by:



Acting chairperson of the Board

1 July 2022



Chief Executive

INDEPENDENT AUDITORS' REPORT

To the directors of Eswatini Communications Commission

Opinion

We have audited the financial statements of Eswatini Communications Commission, which comprise the statement of financial position as at 31 March 2022, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 92 to 106.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eswatini Communications Commission as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards applicable for SMEs, and in the manner required by the Eswatini Communications Commission Act No. 10 of 2013.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Board in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to the audit of financial statements in Eswatini and have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the statement of responsibility by the board of directors, the Director's Report, and the detailed income statement which we obtained prior to the audit report date. Other information does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Commission's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards applicable for SMEs, and in the manner required by the Eswatini Communications Commission Act No. 10 of 2013, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and the directors either intend to liquidate the Commission or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SNG Grant Thornton

SNG Grant Thornton

Chartered Accountants (Eswatini)

DIRECTORS' REPORT

For the year ended 31 March 2022

The Directors have pleasure in presenting their report together with the financial statements for the year ended 31 March 2022.

1. Review of activities

General review of operations

The Eswatini Communication Commission (ESCCOM) is an independent regulatory body established by an Act of Parliament (Eswatini Communications Commission Act 10 of 2013) as part of Government's reform strategy for communications. The Commission is engaged in the business to regulate and supervise functions of all electronic communications, postal, radio and television broadcasting services and operates principally in Eswatini. It is charged with the responsibility for policy, regulation, oversight, professional development and information management and dissemination in the field of electronic communications.

The operating results and state of affairs of the Commission are fully disclosed in the financial statements.

2. Board of Directors

The Directors of the Commission during the year were as follows:

Mr Mlungisi Dlamini – Member

Mr Bheki Ndzinisa – Member

Mrs Bongwe Dlamini – Member

Mr John Mathwasa – Member

Mr Mvilawemphi Dlamini – Chief Executive Officer

Rev Senzo Hlatshwayo – Member (Appointed 01 October 2021)

Ms Khethiwe Alexander – Member (Appointed 01 October 2021)

Mr Polycarp Dlamini – Member (Exited 28 May 2021)

Mr Themba Khumalo – Chairperson (Resigned 31 August 2021)

3. Secretary

The Secretary of the Commission is Mr Ozzie Thakatha.

4. The address of the Commission is as follows:

Business address	Postal address
4 th floor Sibekelo Building	P O Box 7811
Mbabane office park	Mbabane
H100	

5. Bankers

Standard Bank Eswatini Limited

Nedbank Eswatini Limited

6. Registration number

Eswatini Communications Act No 10 of 2013

7. Investment Managers

African Alliance Eswatini
Stanlib Eswatini
Status Capital Building Society
Aluwani Capital Partners
Old Mutual Investment Group (Eswatini) (Pty) Ltd

8. Auditors

SNG Grant Thornton Chartered Accountants (Eswatini)

9. Impact of Covid-19 on the commission

The Covid-19 pandemic has not had a significant impact on the entity's core activities. A business continuity plan has been put in place to ensure that business operations can continue uninterrupted through continued adherence to the regulations stipulated by the government of Eswatini through the Ministry of Health.

10. Going Concern

The directors have not identified conditions that would impact on the commission's ability to continue as a going concern in the foreseeable future. Adequate resources are available for the commission to carry out its future planned projects.

11. Subsequent events

At the date of finalisation of the financial statements there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognised in the financial statements.

12. Civil unrest

In June 2021, Eswatini experienced civil unrest which culminated in looting and destruction of property resulting in interruption in business. There were no significant occurrences that could disturb the operations of the entity.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

Figures in Emalangeni	2022	2021
Income	84 433 893	80 770 077
Other income	14 844 275	14 756 145
Total income	99 278 168	95 526 222
Operating expenses	(93 981 518)	(85 092 280)
Operating surplus	5 296 650	10 433 942
Transfer from designated funds	4 452 032	–
Surplus for the period	9 748 682	10 433 942

STATEMENT OF FINANCIAL POSITION

At 31 March 2022

Figures in Emalangeni	Note(s)	2022	2021
ASSETS			
Non-current Assets			
Property, plant and equipment	2	123 091 214	84 921 831
Investments	3	20 000 000	40 000 000
		143 091 214	124 921 831
Current assets			
Accounts receivable	4	164 295 134	153 667 042
Investments	3	120 973 221	101 912 798
Cash and cash equivalents	5	23 822 867	68 267 329
		309 091 222	323 847 169
Total assets		452 182 436	448 769 000
Reserves and fund balances			
Accumulated reserves		76 742 857	66 994 175
Designated funds	6	193 097 825	244 561 060
Capital reserves	7	121 692 292	78 994 369
Capital grant	8	30 406	45 609
		391 563 380	390 595 213
Current liabilities			
Accounts payable	9	57 621 938	56 048 440
Employee benefits	10	2 997 118	2 125 347
Total current liabilities		60 619 056	58 173 787
Total equity and liabilities		452 182 436	448 769 000

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

For the year ended 31 March 2022

Figures in Emalangeni	Accumulated Funds
2022	
Balance at 01 April	66 994 175
Changes in equity:	
Total comprehensive income for the year	9 748 682
Balance at end of year	76 742 857
2021	
Balance at 01 April	56 560 233
Changes in equity:	
Total comprehensive income for the year	10 433 942
Balance at end of year	66 994 175

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

Figures in Emalangeni	Note(s)	2022	2021
Cash flows from operating activities			
Cash used in operations	11	(43 327 326)	(70 852 955)
Interest paid		(8 532)	–
Net cashflows from operating activities		(43 335 858)	70 852 955
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(45 334 543)	(10 831 258)
Sale of property and equipment		603 642	411 776
Decrease/(increase) in investments		939 577	(13 897 050)
Net cash from investing activities		(43 791 324)	(24 316 532)
Cash flows from financing activities			
Increase in capital reserves		42 697 923	78 994 369
Decrease in capital grant		(15 203)	(15 203)
Net cash from financing activities		42 682 720	78 979 166
Net decrease in cash and equivalents		(44 444 462)	(16 190 321)
Cash at the beginning of the year		68 267 329	84 457 650
Total cash at end of the year	5	23 822 867	68 267 329

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2022

1. Reporting entity

Eswatini Communications Commission (ESCCOM) is a government parastatal established in terms of the Eswatini Communications Act 10 of 2013 to regulate and supervise functions of all electronic communication, postal, radio and television broadcasting services.

1.1 Basis of preparation

a) Statement of compliance

The financial statements are prepared in accordance with the International Financial Reporting Standards applicable for Small and Medium Enterprises (IFRS for SMEs) and in accordance with the Eswatini Communications Commission Act No. 10 of 2013.

The financial statements were authorized for issue by the Board of Directors on 28 June 2022.

The following are the principal accounting policies adopted in the preparation of these financial statements as set out below.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

These financial statements are presented in Emalangeni, which is the commission's functional currency. All financial information presented in Emalangeni has been rounded to the nearest Lilangeni unless otherwise indicated.

d) Use of estimated adjustments

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgments include:

Receivables

The Commission assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in the income statement, the Commission makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

1. Reporting entity continued

1.2 Changes in accounting policies and disclosures

Amendments mandatory effective for the year ended 31 March 2022

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 01 January 2023.

Classification of liabilities as current or non-current – *(IAS 1)*

Deferred tax related to assets and liabilities arising from a single transaction *(Amendments to IAS 12)**.

**Not applicable to the commission.*

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Commission; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and impairment.

Costs include the cash outflow incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value. The depreciation charge is recognised in profit and loss in the relevant period.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Leasehold improvements	10 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	10 years
IT equipment and software	3 years
Spectrum monitoring equipment	15 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2022
continued

1. Reporting entity continued

1.3 Property, plant and equipment continued

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

1.4 Capital reserves

Capital projects that are carried out to pursue the mandate of the commission are capitalized into a capital reserve account as costs are incurred.

Amounts are amortized in accordance with the useful lives of the capitalized in accordance with the useful lives of the capitalized items and released into the income statement annually.

1.5 Financial instruments

The commission's financial instruments include cash deposits with financial institutions, trade and other receivables, investments, trade and other payables and government bonds.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Investments

Investments are measured initially at their fair values and subsequently, at amortized cost.

1. Reporting entity continued

1.6 Tax

The Commission is exempt from income tax according to the Section 12(1) (a) (iii) read together with Section 2 of the Income Tax Order 1975, as amended.

1.7 Leases

The commission rents office space where its business is conducted. This is classified as an operating lease.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

1.8 Impairment of assets

The Commission assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Commission estimates the recoverable amount of the asset. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. Reporting entity continued

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Statutory obligations

The Commission contributes to a statutory fund, Eswatini National Provident Fund (ENPF) in accordance with the Eswatini National Provident Fund Order of 1974. Employer contributions are expensed in the statement of comprehensive income in the period when they are incurred.

Retirement benefits

The commission provides retirement benefits for its employees through a defined contribution plan managed through its fund. This fund is funded by the commission and employee contributions. The commission's contributions are charged to the income statement when they are due and payable.

1.10 Revenue

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the commission and the amounts of revenue can be reliably measured.

The commission's income consists of annual mobile license fees, spectrum fees, type approval and renewals which is recognised in the period in which it relates.

Interest income

Interest is recognised, is accrued on a time proportion basis by reference to the principal outstanding and effective interest rate at the reporting period.

1.11 Related parties

The major related party to the Commission apart from its Directors is the Government of Eswatini through the ministry of information, communications and technology which exercises a significant influence over its financial and operating decisions.

2. Property, plant and equipment

	2022			2021		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Land	17 187 094	–	17 187 094	17 187 094	–	17 187 094
Plant and machinery	9 214 456	(3 392 378)	5 822 078	9 214 456	(2 195 068)	7 019 388
Furniture and fixtures	1 144 100	(614 765)	529 335	1 206 167	(600 942)	605 225
Motor vehicles	4 252 632	(2 382 963)	1 869 669	6 888 430	(4 002 576)	2 885 854
Office equipment	533 922	(197 615)	336 307	1 108 413	(374 828)	733 585
IT equipment & software	4 011 884	(3 015 593)	996 291	3 623 973	(2 453 065)	1 170 908
Spectrum monitoring equipment	44 513 847	(18 545 185)	25 968 662	44 513 847	(15 429 215)	29 084 632
Leasehold improvements	1 135 963	(697 028)	438 935	1 119 863	(587 973)	531 890
Assets under construction	69 942 843	–	69 942 843	25 703 255	–	25 703 255
Total	151 936 741	(28 845 527)	123 091 214	110 565 498	(25 643 667)	84 921 831

Reconciliation of property, plant and equipment – 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Land	17 187 094	–	–	–	17 187 094
Plant and machinery	7 019 388	–	–	(1 197 310)	5 822 078
Furniture and fixtures	605 225	124 389	(86 644)	(113 635)	529 335
Motor vehicles	2 885 854	566 555	(700 269)	(882 471)	1 869 669
Office equipment	733 585	–	(301 765)	(95 513)	336 307
IT equipment & software	1 170 908	387 911	–	(562 528)	996 291
Spectrum monitoring equipment	29 084 632	–	–	(3 115 970)	25 968 662
Leasehold improvements	531 890	16 100	–	(109 055)	438 935
Assets under construction	25 703 255	44 239 588	–	–	69 942 843
	84 921 831	45 334 543	(1 088 678)	(6 076 482)	123 091 214

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022
continued

2. Property, plant and equipment continued

Reconciliation of property, plant and equipment – 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Land	17 187 094	–	–	–	17 187 094
Quality of service	8 216 698	–	–	(1 197 310)	7 019 388
Furniture and fixtures	713 260	2 400	–	(110 435)	605 225
Motor vehicles	2 767 235	1 768 253	(313 859)	(1 335 775)	2 885 854
Office equipment	728 719	109 098	–	(104 232)	733 585
IT equipment & software	1 299 206	467 467	(44 410)	(551 355)	1 170 908
Spectrum monitoring equipment	32 058 261	136 060	–	(3 109 689)	29 084 632
Leasehold improvements	640 408	–	–	(108 518)	531 890
Assets under construction	17 355 275	8 347 980	–	–	25 703 255
	80 966 156	10 831 258	(358 269)	(6 517 314)	84 921 831

Land is situated on Lot 10 of the office's township, District of Hhohho, Eswatini and measures 3 921 square meters.

Figures in Emalangeni

3. Investments

Non-current assets

	2022	2021
Government bonds – held to maturity	20 000 000	40 000 000

Investments relate to two Government Treasury Bonds purchased by the Commission.

- Bonds SG026 of E20 000 000 earns interest of 9% per annum with a maturity date of Feb 2023, and
- Bonds SG84 of E20 000 000 earns interest of 9.85% per annum with a maturity date of August 2026.

Current assets

Government treasury bond – SG06	20 000 000	–
Stanlib Eswatini – Money Market	27 833 518	49 395 463
African Alliance – Lilangeni fund	27 473 716	52 517 335
Status capital Building society – Fixed Period Shares	15 335 988	–
Aluwani capital Partners – Money Market	15 143 829	–
Old mutual – Income fund	15 186 170	–
	120 973 221	101 912 798

Figures in Emalangenzi	2022	2021
3. Investments continued		
Non-current assets		
Government bonds – held to maturity	20 000 000	40 000 000
Investments relate to two Government Treasury Bonds purchased by the Commission.		
– Bonds SG026 of E20 000 000 earns interest of 9% per annum with a maturity date of Feb 2023, and		
– Bonds SG84 of E20 000 000 earns interest of 9.85% per annum with a maturity date of August 2026.		
Current assets		
Government treasury bond – SG06	20 000 000	–
Stanlib Eswatini – Money Market	27 833 518	49 395 463
African Alliance – Lilangeni fund	27 473 716	52 517 335
Status capital Building society – Fixed Period Shares	15 335 988	–
Aluwani capital Partners – Money Market	15 143 829	–
Old mutual – Income fund	15 186 170	–
	120 973 221	101 912 798
4. Accounts receivable		
Trade receivables	167 259 564	151 382 503
Provisional for impairment	(6 527 752)	–
	160 731 812	151 382 503
Prepayments	2 771 615	1 438 897
Ministry of ICT – Set top boxes prepayment	–	740 611
Rental deposit	90 563	79 101
Fuel deposit	29 189	25 930
Accrued interest – EPTC	671 955	–
	164 295 134	153 667 042
5. Cash and cash equivalents		
Nedbank Eswatini Limited – Current account	2 269 725	834 863
Nedbank Eswatini Limited – Call account	20 180 654	67 316 815
Nedbank Eswatini Limited – Top box	1 109 322	–
Standard Bank Eswatini Limited – Current Account	252 544	105 040
Standard Bank Eswatini Limited – Call Account	10 622	10 611
	23 822 867	68 267 329

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022
continued

Figures in Emalangeni	Opening balance	Received during the year	Utilised during the year	Transferred to Capital reserves	Closing balance
6. Designated funds					
Reconciliation – 2022					
Details					
Licensing fees	244 561 060	84 433 893	(88 885 925)	(47 011 203)	193 097 825
Reconciliation – 2021					
Details					
Licensing fees	285 921 659	122 710 845	(80 770 077)	(83 301 367)	244 561 060

The designated funds represent license fees earmarked for future projects of the Commission. Cost incurred on such projects are subsequently transferred to capital reserves as explained in note 8 below.

Figures in Emalangeni	2022	2021
7. Capital reserves		
Opening balance	78 994 368	–
Transfers during the year	47 011 203	83 301 368
Amortized into income statement	(4 313 279)	(4 306 999)
	121 692 292	78 994 369
8. Capital grant		
Opening balance	45 609	60 812
Realised in the income statement	(15 203)	(15 203)
	30 406	45 609
Capital grant received represent a grant in a form of depreciable fixed assets which were bought by government to help set up the Commission. The grant is recognised in the income statement on a straight-line basis over the useful life of the assets.		
9. Accounts payable		
Trade payables	3 910 776	2 291 396
Amounts held on behalf of third parties	1 109 322	–
Accrued expenses	25 783 438	24 992 560
VAT payable	26 818 402	28 764 484
	57 621 938	56 048 440

Figures in Emalangeni	Opening balance	Additions	Utilized during the year	Closing balance
10. Employee benefits				
2022				
Bonus and 13th Cheque Provision	2 125 347	2 260 735	(2 088 128)	2 297 954
Provision for leave pay	–	699 164	–	699 164
	2 125 347	2 959 899	(2 088 128)	2 997 118

Figures in Emalangeni	Opening balance	Additions	Utilized during the year	Closing balance
2021				
Bonuses and 13th Cheque	2 305 917	3 810 728	(3 991 298)	2 125 347
Leave days	612 552	1 025 983	(1 638 535)	–
	2 918 469	4 836 711	(5 629 833)	2 125 347

Leave pay provision:

The leave pay provision relates to the vested leave pay to which employees are entitled to. The provision arises as employees render services that increase their entitlement to future compensated leave. The provision is also utilised when employees, who are entitled to leave pay, leave the employment of the Commission.

Bonus provision:

The bonus provision consists of a performance-based bonus, which is determined by reference to the overall performance with regard to a set of pre-determined key performance measures. Bonuses are payable annually after the Commission's annual results have been approved. Payment of bonus must be approved by the Board of Directors.

Figures in Emalangeni	2022	2021
11. Cash used in operations		
Surplus for the period	9 748 682	10 433 942
Adjustments for:		
Depreciation and amortisation	6 076 482	6 517 314
Profit on sale of assets	485 036	(53 507)
Interest paid	8 532	–
	16 318 732	16 897 749
Changes in working capital:		
Increase in Accounts receivable	(10 628 092)	(40 158 599)
Increase/(decrease) in Accounts payable	1 573 499	(5 438 384)
Decrease in Designated funds	(51 423 236)	(41 360 599)
Increase/(decrease) in provisions	871 771	(793 122)
	(43 327 326)	(70 852 955)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022
continued

12. Related party transactions

Figures in Emalangeni	2022	2021
Board of directors fees <i>Included in expenses</i>	1 330 307	402 070
Ministry of ICT – Top box <i>Included in payables/bank balances</i>	1 109 322	–

13. Risk management

Capital risk management

The Commission's objectives when managing capital are to safeguard the Commission's ability to continue as a going concern in order to provide returns for Commission and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

There are no externally imposed capital requirements.

Liquidity risk

The Commission's risk to liquidity is a result of the funds available to cover future commitments. The Commission manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments, and trade debtors. The Commission only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

14. Going Concern

The directors have not identified conditions that would impact on the commission's ability to continue as a going concern in the foreseeable future. Adequate resources are available for the commission to carry out its future planned projects.

15. Subsequent events

At the date of finalisation of the financial statements there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognised in the financial statements.

16. Civil unrest

In June 2021, Eswatini experienced civil unrest which culminated in looting and destruction of property resulting in interruption in business. There were no significant occurrences that could disturb the operations of the entity.

DETAILED INCOME STATEMENT

For the year ended 31 March 2022

Figures in Emalangenzi	2022	2021
Income		
Licence fees	84 433 893	80 770 077
Other income		
Government grant	15 203	15 203
Capital reserves amortisation	4 313 279	4 306 999
Interest received	10 233 721	10 380 436
Gains on disposal of assets	–	53 507
Sundry income	282 072	–
	14 844 275	14 756 145
Operating expenses		
Advertising	1 862 469	1 346 101
Auditors' remuneration	157 205	120 000
Bank charges	122 198	103 987
Board expenses	1 330 307	402 070
Cleaning expenses	102 650	95 300
Computer expenses	41 330	35 150
CSR Strategy development	266 800	–
Corporate Social Responsibility	372 570	812 791
Depreciation	6 076 482	6 517 314
EBIS and ETVA equipment	1 200 000	–
Employee costs	33 299 014	29 500 959
ESPPRA tender fees	29 000	106 840
Household survey	3 519 787	–
Insurance	969 344	1 023 298
Interest paid	8 532	–
Legal fees	56 895	–
Loss in disposal of assets	485 036	–
Motor vehicle expenses	499 895	444 911
National support	525 000	1 690 000
National Addressing System Project	94 139	–
Office expenses	212 098	238 787
Printing and stationery	104 025	89 038
Professional fees	3 328 765	3 369 297
Provision for impairment	6 527 752	–
Public Enterprise loan guarantee	633 254	1 837 115
Rates	127 964	127 964
Rent	1 258 858	1 211 208
Repairs and maintenance	2 359 525	2 606 333
Spectrum waiver	–	11 422 211
Staff welfare	799 715	234 699
Subscriptions and memberships	3 499 203	3 966 952
Stakeholder engagement	110 285	–
Telephone and fax	2 796 569	1 800 373
Travel, trainings, conferences, and workshops	5 458 255	738 719
Uniforms and protective clothing	489 589	22 450
Universal Access Service	15 000 000	15 000 000
Utilities	257 008	228 413
Total expenses	93 981 518	85 092 280
Transfer from reserves	(4 452 032)	–
Net surplus for the year	9 748 682	10 433 942

Not subject to audit opinion

UAS FINANCIAL STATEMENTS

For the year ended
31 March 2022

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COMMITTEE'S RESPONSIBILITY STATEMENT

For the year ended 31 March 2022

The Committee is required in terms of the Eswatini Communications Act 10 of 2013 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Fund as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards for Small and Medium Enterprises. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the Fund and place considerable importance on maintaining a strong control environment. To enable the Director to meet these responsibilities, the Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Fund and all employees are required to maintain the highest ethical standards in ensuring the Fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Fund is on identifying, assessing, managing and monitoring all known forms of risk across the Fund. While operating risk cannot be fully eliminated, the Fund endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Committee is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Committee has reviewed the Fund's cash flow forecast for the year to 31 March 2023 and, in light of this review and the current financial position, they are satisfied that the Fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Fund's financial statements. The financial statements have been examined by the Fund's external auditors and their report is presented on pages 110 to 111.

The annual financial statements set out on pages 112 to 123, which have been prepared on the going concern basis, were approved by the Committee on 28 June 2022 and were signed on its behalf by:



Acting Chairperson of the board

1 July 2022



Chief Executive

INDEPENDENT AUDITORS' REPORT

To the committee of Universal Access Service

Opinion

We have audited the financial statements of Universal Access Service, which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 114 to 123.

In our opinion, the financial statements of Universal Access Service for the year ended 31 March 2022 present fairly, in all material respects, the financial position of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards applicable to Small and Medium Enterprises, and in the manner required by the Eswatini Communications Commission Act No.10 of 2013.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit* of the financial Statements section of our report. We are independent of the fund in accordance with the International Ethics Standards Board for Accountant's international code of ethics for professional accountants including international independence standard together with the ethical requirements that are relevant to audits of financial statements in Eswatini. We have fulfilled our other ethical responsibilities in accordance with the international code of ethics for professional these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The committee is responsible for the other information. The other information comprises the statement of responsibility by the committee, the Director's Report, and the detailed income statement which we obtained prior to the audit report date. Other information does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the committee for the financial statements

The Commission's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards applicable Small Medium Enterprises, and in the manner required by the Eswatini Communications Commission Act No.10 of 2013, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SNG Grant Thornton

SNG Grant Thornton

Chartered Accountants (Eswatini)

DIRECTORS' REPORT

For the year ended 31 March 2022

The committee submit its report for the year ended 31 March 2022.

1. Review of activities

Main business and operations

The Universal Access Service Fund is a body established by an Act of Parliament (Eswatini Communications Commission Act 10 of 2013) as part of Government's reform strategy to increase access to communication services.

The Fund is engaged in the business of monitoring and enforcing compliance with specific obligations, licence conditions and objectives; designating universal service providers with obligations to provide universal services; monitoring and enforcing compliance with and the carrying out of universal service plans by the universal service providers and operates principally in Eswatini.

It is charged with the responsibility for policy, regulation, oversight, professional development and information management and dissemination in the field of electronic communications.

The operating results and state of affairs of the entity are fully disclosed in the financial statements.

2. Committee

The Universal Access Service fund did not have a committee in office for the year ended 31 March 2022 after the elapse of the previous committee's term of office in October 2020.

The following served as overseers of the operations of the entity in the year under review:

Mr Mvilawemphi Dlamini
Chief Executive

Mr Alex Hlandze
Director

3. Business address

Business address
4th floor Sibekelo Building
Mbabane office park
Mbabane
Eswatini

Postal address
P O Box 7811
Mbabane

4. Bankers

Nedbank Eswatini Limited

5. Auditors

SNG Grant Thornton Chartered Accountants (Eswatini)

6. Going Concern

The directors are not aware of any events that could result in the entity ceasing to be a going concern in the foreseeable future. The entity has adequate funds to sustain its planned future projects.

7. Subsequent events

The committee has not identified any events or conditions that could require adjustment or additional disclosures in the financial statements as at 31 March 2022.

8. Impact of Covid-19 on the entity

The COVID-19 pandemic has not had a significant impact on the entity's core activities. A business continuity plan has been put in place to ensure that business operations can continue uninterrupted through continued adherence to the regulations stipulated by the government of Eswatini through the Ministry of Health.

9. Civil unrest

In June 2021, Eswatini experienced civil unrest which culminated in looting and destruction of property resulting in interruption in business. There were no significant occurrences that could disturb the operations of the entity.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

Figures in Emalangeni	2022	2021
Income	23 392 488	23 089 370
Interest income	1 025 830	327 580
Total income	24 418 318	23 416 950
Operating expenses	(22 137 182)	(11 319 725)
Surplus	2 281 136	12 097 225
Transfer to reserves	(2 281 136)	(12 097 225)
	–	–

STATEMENT OF FINANCIAL POSITION

At 31 March 2022

Figures in Emalangeni	Note(s)	2022	2021
ASSETS			
Non-current Assets			
Property, plant and equipment	2	1 086 652	399 685
Current assets			
Accounts receivable	3	29 596 735	25 933 416
Financial assets	4	28 321 738	15 548 793
Cash and cash equivalents	5	296 460	6 301 370
		58 214 933	47 783 579
Total assets		59 301 585	48 183 264
RESERVES AND FUND BALANCES			
Reserves	6	42 938 730	40 657 594
Current liabilities			
Accounts payable	7	16 362 855	7 525 670
Total liabilities		59 301 585	48 183 264

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

Figures in Emalangeni	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	8	7 610 088	16 351 399
Transfers to reserves	6	(2 281 136)	(12 097 225)
Net cash from operating activities		5 328 952	4 254 174
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(842 053)	–
Increase in investments		(12 772 945)	(11 848 749)
Net cash from investing activities		(13 614 998)	(11 848 749)
Cash flows from financing activities			
Increase in capital reserves		2 281 136	12 097 226
Net cash from financing activities		2 281 136	12 097 226
Net (decrease)/increase in cash and cash equivalents		(6 004 910)	4 502 651
Cash at the beginning of the year		6 301 370	1 798 719
Total cash at end of the year	5	296 460	6 301 370

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2022

1. Reporting entity

Universal Access Service Fund (UAS) is responsible for monitoring and enforcing compliance with specific obligations, license conditions and objectives; designating Universal Service providers with obligations to provide Universal Services' monitoring and enforcing compliance with and carrying out of Universal Service plans by service provider's.

1.1 Basis of preparation

a) Statement of compliance

The financial statements are prepared in accordance with the International Financial Reporting Standards applicable for Small and Medium Enterprises (IFRS for SMEs) and in accordance with the Eswatini Communications Commission Act.

The financial statements were authorized for issue by the Board on 28 June 2022.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

b) Basis of measurement

The financial statements are prepared under the historical cost basis.

c) Functional and presentation currency

These financial statements are presented in Emalangeni, which is the entity's functional currency. All financial information presented in Emalangeni has been rounded to the nearest Lilangeni unless otherwise indicated.

d) Use of estimated adjustments

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgments include.

Receivables

The entity assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in the income statement, the entity makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2022
continued

1. Reporting entity continued

1.2 Changes in accounting policies and disclosures

Amendments mandatory effective for the year ended 31 March 2022

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 01 January 2023.

Classification of liabilities as current or non-current (*IAS 1*)

Deferred tax related to assets and liabilities arising from a single transaction (*Amendments to IAS 12*)*.

**Not applicable to the entity.*

1.3 Property, plant, and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Commission; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and impairment.

Costs include the cash outflow incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value. The depreciation charge is recognised in profit and loss in the relevant period.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fixtures	10 years
Motor vehicles	5 years
IT equipment and software	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

1. Reporting entity continued

1.4 Financial instruments

The Fund's financial instruments include cash deposits with financial institutions, trade and other receivables, investments, and trade and other payables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially measured at fair value and subsequently amortised cost.

Investments

Investments are measured initially at their fair values and subsequently, at amortised cost.

1.5 Tax

The fund is exempt from income tax according to the Section 12(1) (a) (iii) read together with Section 2 of the Income Tax Order 1975, as amended.

1.6 Impairment of assets

The fund assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the fund estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. Reporting entity continued

1.6 Impairment of assets continued

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Statutory obligations

The fund contributes to a statutory fund, Eswatini National Provident Fund (ENPF) in accordance with the Eswatini National Provident Fund Order of 1974. Employer contributions are expensed in the statement of comprehensive income in the period when they are incurred.

Retirement benefits

The fund provides retirement benefits for its employees through a defined contribution plan managed through its fund. This fund is funded by the commission and employee contributions. The Commission contribution is charged to profit or loss as these are payable.

1.8 Revenue/income

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the commission and the amounts of revenue can be reliably measured.

Interest income

Interest is recognised, is accrued on a time proportion basis by reference to the principal outstanding and effective interest rate at the reporting period.

1.9 Related parties

The major related party to the Commission apart from its committee is the Government of Eswatini through the ministry of information, communications and technology which exercises a significant influence over its financial and operating decisions and the Eswatini Communications Commission.

2. Property, plant and equipment

Figures in Emalangeni	2022			2021		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	54 062	(18 412)	35 650	54 062	(13 006)	41 056
Motor vehicles	1 429 159	(431 698)	997 461	627 505	(292 836)	334 669
Office equipment	21 696	(6 310)	15 386	21 696	(4 140)	17 556
IT equipment & software	45 679	(7 524)	38 155	50 129	(43 725)	6 404
Total	1 550 595	463 944	1 086 652	753 392	(353 707)	399 685

Reconciliation – 2022

Figures in Emalangeni	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	41 056	–	(5 406)	35 650
Motor vehicles	334 669	801 654	(138 862)	997 461
Office equipment	17 556	–	(2 170)	15 386
IT equipment & software	6 404	40 399	(8 644)	38 155
	399 685	842 053	(155 082)	1 086 652

Reconciliation of property, plant and equipment – 2021

Figures in Emalangeni	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	46 462	–	(5 406)	41 056
Motor vehicles	460 170	–	(125 501)	334 669
Office equipment	19 726	–	(2 170)	17 556
IT equipment & software	23 112	–	(16 708)	6 404
	549 470	–	(149 785)	399 685

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022
continued

Figures in Emalangeni	2022	2021
3. Accounts receivables		
Trade receivables	14 936 127	4 919 277
Provision for impairment	(339 392)	–
	14 596 735	4 919 277
ESCCOM	15 000 000	21 014 139
	29 596 735	25 933 416
4. Investments		
Stanlib Eswatini – Money Market Fund	28 321 738	15 548 793
5. Cash and cash equivalents		
Nedbank Eswatini Limited – Current account	53 328	513 724
Nedbank Eswatini Limited – Call account	243 132	5 787 646
	296 460	6 301 370
6. Reserves		
Opening balance	40 657 594	28 560 369
Transferred in current year	2 281 136	12 097 225
Realised in the income statement	–	–
	42 938 730	40 657 594
7. Accounts payable		
Trade payables	1 834 248	5 265 144
Accruals	12 599 475	788 292
VAT payable	1 929 132	1 472 234
	16 362 855	7 525 670
8. Cash generated from operations		
Surplus for the period	2 281 136	12 097 225
Adjust for:		
Depreciation	155 086	149 785
	2 436 222	12 247 010
Changes in working capital:		
Accounts receivable	(3 663 317)	3 545 321
Accounts payable	8 837 185	559 068
	7 610 088	16 351 399

Figures in Emalangeni	2022	2021
9. Related party transactions		
Committee expenses <i>Included in expenses</i>	10 700	89 196
ESCCOM receipts <i>Included in revenue and/or receivables</i>	15 000 000	15 000 000

10. Risk management

Capital risk management

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for Fund and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

There are no externally imposed capital requirements.

Liquidity risk

The Fund's risk to liquidity is a result of the funds available to cover future commitments. The Fund manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments, and trade debtors. The Fund only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

DETAILED INCOME STATEMENT

For the year ended 31 March 2022

Figures in Emalangenzi	2022	2021
Income		
UAS levy	8 392 488	8 089 370
ESCCOM	15 000 000	15 000 000
Interest received	1 025 830	327 580
	24 418 318	23 416 950
Operating expenses		
Bank charges	2 709	2 703
Broadband WiFi hotspots	1 999 158	1 313 820
Capacity building – UNESWA	405 334	–
Committee expenses	10 700	89 196
Depreciation	155 086	149 785
EBIS Broadcast	500 000	–
Elderly end-user devices	796 000	–
ETVA content creation	80 000	–
GSM upgrade	7 278 987	–
Health facilities connectivity	–	2 798 994
Hearing aid devices	1 168 091	967 789
Last mile connectivity	1 959 554	–
Local content creation	988 604	–
Special needs teachers training	299 652	–
Public relations	136 400	–
Provision for doubtful debts	339 392	–
Ruggedized tablets	4 995 945	4 995 793
Social responsibility	–	16 934
Tinkhundla service centres and health facilities	521 570	–
UAS strategic plan	500 000	984 711
	22 137 182	11 319 725
Surplus for the year	2 281 136	12 097 225
Transfer to reserves	(2 281 136)	(12 097 225)
	–	–

Not subject to audit opinion

GENERAL INFORMATION

Eswatini Communications Commission

(Registration number Act No: 10 of 2013)

Annual Financial Statements

for the year ended 31 March 2022

Nature of business and principal activities	To Regulate and Supervise Functions of all Electronic Communications, Postal, Radio and Television Broadcasting Services
Board of Directors	Mr Bheki Ndzinisa (<i>Chairperson</i>) Mr Mvilawemphi Dlamini (<i>Chief Executive</i>) Mrs Bongiwe Dlamini Mr John Mathwasa Ms Khethiwe Alexander Mr Mlungisi Dlamini Rev Senzo Hlatshwayo Secretary Mr Ozzie Thakatha
Business address	4th Floor, Sibekelo Building, Mbabane Office Park, Mbabane, Eswatini
Postal address	PO Box 7811, Mbabane, H100
Bankers	Standard Bank (Swaziland) Limited Nedbank (Swaziland) Limited
Auditors	SNG Grant Thornton Chartered Accountants (Eswatini) Mbabane
Registration number	Eswatini Communications Act No: 10 of 2013



ESCCOM

**ESWATINI
COMMUNICATIONS
COMMISSION**