

## **Inter-American Development Bank (IDB)**

### **1) Describe your country's/agency's overall strategy or approach in using ICT for Development**

#### **a) Overall strategy**

The essence of the Inter-American Development Bank (IDB) approach in support of the efforts by Latin American and Caribbean countries to use information and communication technology (ICT) for achieving the Millennium Development Goals (MDG) is reflected in the following two statements made by Mr. Enrique V. Iglesias, President of the Bank.

"Economic growth is essential for countries to have the resources to address social challenges."

"The knowledge economy is the bridge between sustainable economic growth and reducing poverty while promoting equity."

By emphasizing the role of information and communication technology applications in strengthening the inextricable link between economic and social development, the IDB seeks to enhance the capacity of the countries in the Region to achieve the Millennium Development Goals.

Macroeconomic policies that leverage the use of ICT and expand the knowledge economy in the countries of Latin America and the Caribbean are crucial in creating the enabling conditions for countries to achieve the MDGs. The economic, social and political reforms of recent years provided incentives and increased the demand for information and communication technology and services. More recently, countries in the region have been recognizing that expanding the deployment of these technologies and accelerating the growth of the knowledge economy are critical for carrying out the "second generation" of these reforms.

The Bank recognizes that deployment of ICT with the expansion of a knowledge economy is a common denominator in a democratic process of efficient, equitable and sustainable development. This conceptual framework links the objectives of the IDB institutional strategy (increasing sustainable economic growth while reducing poverty and promoting equity), ICT and the Millennium Development Goals.

#### **b) Guiding principles for use of ICT for development**

The economic and social reforms of the recent decades have provided incentives that increase demand for access to information and consequently information and communication technology. The operation of market and democratic mechanisms depends on expanding this access; achieving this expanded access strengthens these mechanisms.

Leaders in the Region understand that the degree to which public, private and civil society organizations cooperate in deploying information and communication technology determines the degree to which a country will be successful in overcoming socioeconomic inequalities.

The role of the IDB is to assist the countries in the Region to translate their political will to deploy ICT and expand their knowledge economy to carry out a democratic process of efficient, equitable and sustainable development. The Information and Communication Technology for Development Division of the Sustainable Development Department stimulates the matching of the new and expanding requirements in this area with Bank's experience and resources. These efforts to assist countries can be summarized as follows:

- Create conditions for deploying ICT to generate and distribute new wealth more efficiently, equitably and in a sustainable manner by strengthening the capacity of their economy to increase local value added to local resources.

- Strengthen institutional adjustment mechanisms to ensure that all citizens participate in and benefit from the deployment of ICT, expansion of the knowledge economy and development so that these efforts reflect the respective values, needs, conditions, resources and aspirations of each country.

c) Objectives

During April, 1999, the Bank approved Operational Policy "Information Age Technologies and Development" (OP-711). This statement establishes the Bank's strategy, objectives and operating policy in the emerging area of information and communication technology (ICT), as a major factor in the future of social and economic development and growth of the Region. The document establishes, among others, the following areas of action for the Bank: (a) support national efforts in the definition and implementation and development of information technologies; (b) support the establishment of regulatory and policy frameworks for the information technology sector in the Region; (c) analyze the Region's information technology infrastructure needs; (d) support national information technology infrastructure investment planning; and (e) provide financial/lending support for the implementation of information technologies to enhance the social and economic development process of the countries of the Region, and improving the access to public services by the population.

In order to match country ICT for development needs with Bank resources and experience, the Division has been assigned the following responsibilities:

- Provide technical backstopping for project development and other activities supported by the Bank in the information and communication technology for development field;
- Offer strategic and technical advice to governments on how to make better use of available information and communication technology for development;
- Develop cooperation agreements and co-financing arrangements to support research activities, studies, training, seminars, technical assistance and pilot projects;
- Promote linkages between public and private institutions within the Region and between the Region and institutions in non-borrowing countries, in order to strengthen the participation of local institutions in the identification and development of technical solutions to information and communication technologies for development problems, and, prepare strategic analysis of needs, priorities and opportunities in borrowing member countries in support of planning and strategy development.

d) Areas of application

- ICT in sustainable economic growth
- ICT in reducing poverty and promoting equity (through building human capital through lifelong learning in the knowledge economy)
- ICT in governance
- ICT institution building

e) References and web-links to any relevant strategy documents or guidelines



Inter-American Development Bank  
Sustainable Development Department (SDS/SDS)  
Information and Technology for Development Division  
(SDS/ICT)  
<http://www.iadb.org/sds/itdev/index.htm>



**2) Identify the main modalities for ICT integration in your overall development strategy**

a) Modalities for ICT integration and programme delivery

The ICT for Development Division manages various programs through a matrix model that integrates support for ICT sectoral and intersectoral projects.

The matrix approach enables the Division to carry out its multidimensional and multilevel activities as well as facilitate the flow of needed information throughout the institution. Division programs reflect emerging areas of interest in the countries and are designed, in conjunction with other Bank groups, to expand existing Bank programs.

To implement this approach, the Division carries out four types of programs as follows:

- **Intersectoral programs** provide a framework for all Division programs and link all Bank-funded ICT related activities with the institutional strategy;
- **Institution-building programs** are designed to strengthen the capacity of beneficiary countries to formulate and implement ICT for development strategies;
- **Integrated project programs** enhance the ICT dimension in specific sectoral projects and link them with the intersectoral areas; and,
- **Project development support programs** promote the production of tools and resources that expedite the Bank's response time for implementing ICT for development projects.

- Three **Intersectoral Programs** link the deployment of ICT with achieving the two objectives of the IDB institutional strategies: achieving sustainable economic growth and reducing poverty and promoting equity. These are:

- **ICT in Sustainable Economic Growth Program**

Increases the rate of economic growth by increasing local value added to local resources. The access to information to build and apply knowledge to resources adds value while enabling economies become more productive and competitive.

- **ICT in Poverty Reduction and Promoting Equity Program**

Promotes human capital formation and social development through the deployment of ICT in lifelong learning in the knowledge economy. Access to quality learning opportunities enhance human facto productivity, increase purchasing power and improve the quality of life for all people.

- **ICT in Governance Program**

Promotes trust and a new social contract between citizens and their public representatives by deploying ICT through new patterns of communication and cooperation between civil society, private and public organizations to increase access as well as openness, transparency and accountability.

Division focal point (Intersectoral Programs): Robert A. Vitro [robertv@iadb.org](mailto:robertv@iadb.org)

Periodic Consultative meetings with ICT for development leaders from the countries in the Region, organized by the Division in its role as Technical Secretariat for the IDB ICT for Development Strategy Group, are a critical component of the intersectoral program. The meetings are an opportunity for face-to-face dialogue between the Bank and beneficiary countries to discuss priorities and streamline the mechanisms for working together.

- The following **institution building programs**, carried out sequentially, allow the Bank to contribute strengthening the capacity for national decision-making and implementation in ICT for development as well as streamlining the interaction between the Bank and beneficiary countries:

- **National Strategies for ICT for Development Program**

Contributes to the establishment of favorable institutional conditions for the creation of an Information Society in the LAC region, by means of a National Strategy and the implementation of ad-hoc pilot programs.

Focuses of the Program are: government administration, definition of policies, e-government capacities, legal and institutional framework, ICT for educational purposes.

Division focal point: Pablo Valenti [pablova@contractual.iadb.org](mailto:pablova@contractual.iadb.org)

- **ICT Public Policy and Regulation Program**

Strengthens the capacity of each country to formulate and implement public policies that integrate ICT into the overall national development strategy while establishing safeguards for fair and open competition and ensuring that everyone participates and benefits from the growth of a marketplace for information and related services.

Division focal Point: Saeko Tsuchikashi [saekot@contractual.iadb.org](mailto:saekot@contractual.iadb.org)

- **ICT for Development Training of Public Officials Program**

Promotes human capacity building in public administrations in the LAC Region. Specific objective of this program is to move forward in the making of a highly developed, more sophisticated institutional framework in the Region.

Division focal point: Pablo Valenti [pablova@contractual.iadb.org](mailto:pablova@contractual.iadb.org)

- **e-Government Program**

Supports the institutional transformation of the public administration through the comprehensive and systematic deployment of information and communication technology.

Division focal point: Eduardo Rodal [eduardorod@iadb.org](mailto:eduardorod@iadb.org)

- **Cybercommunities Program**

Strengthens ICT development in local government and the communities in the Region encouraging citizen's participation (private, public, NGOs, academia) in the process. With citizen's participation governments will be able to provide the most adequate services and exercise democracies using ICT

Division focal Point: Saeko Tsuchikashi [saekot@contractual.iadb.org](mailto:saekot@contractual.iadb.org)

- **Integrated Project Programs** strengthen the link between ICT sectoral and intersectoral programs. The following list of integrated programs provides examples.

### **ICT in Sustainable Economic Growth Program**

- **ICT Innovation Program for e-Business and SME Development Program**

Contributes to improvement and competitiveness of small and medium enterprises in the LAC Region by expanding their access to new ICT solutions and services. The program proposes to implement two components: (i) funding for pilot initiatives and (ii) dissemination of new knowledge and lessons learned.

Division focal points: Antonio Ca'Zorzi  
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- **Harnessing Information Technology for SME's**

Facilitates the adoption of ICT by small businesses through strengthening their awareness and skills, improving the regulatory framework for electronic commerce, supporting ICT innovation, strengthening local ICT industries, and developing ICT skills among youth. The program, managed by the SDS/ICT Division together with the Multilateral Investment Fund (MIF) of the IDB will fund innovative project proposals, training activities and technical assistance.

Division focal point: Antonio Ca' Zorzi – [antonioca@contractual.iadb.org](mailto:antonioca@contractual.iadb.org)

- **Media Convergence Program**

Formulates the media convergence strategy for the LAC Region and disseminates relevant information among the people concerned.

Division focal points: Guillermo Castillo  
[Guillermos@iadb.org](mailto:Guillermos@iadb.org)  
Saeko Tsuchikashi

## **ICT in Reducing Poverty and Promoting Equity Program (Building Human Capital through Lifelong Learning in the Knowledge Economy)**

### **• Virtual Classrooms Program**

- 1) identifies the utilization of ICTs in the training of future teachers, evaluating technologies identified, costs, quality and its presence in the country's policies and
- 2) defines skills and capabilities of future teachers in the area of ICT and training.

Division focal point: Francisco Vieira [franciscov@iadb.org](mailto:franciscov@iadb.org)

## **ICT in Governance Program**

### **• Parlamentos en la Era Digital – Regulación Digital Program**

Transfers of knowledge to Latin American members of Parliament for developing of regulatory frameworks for the development of the Information Society (Digital signature, regulatory framework in telecommunications, e-commerce, and security)

Division focal point: Guillermo Castillo [Guillermos@iadb.org](mailto:Guillermos@iadb.org)

### **• Development of an e-government model Program**

Supports the growth and expansion of a renewed Public Administration through the development of an e-government model in order to enhance efficiency, efficacy, and transparency

Division focal point: Eduardo Rodal [eduardorod@iadb.org](mailto:eduardorod@iadb.org)

### **• Promotion of Telecenters Program**

Provides a regional framework of support for national telecenter initiatives throughout the Region. It will build on the Bank's capability to summon joint multi-sector action, working together with national and international public sectors, private enterprise and civil society

Division focal point: Guillermo Castillo [Guillermos@iadb.org](mailto:Guillermos@iadb.org)

- Five **Project Development Support Programs** facilitate the ability of the Division to support the Bank-wide ICT for Development Program. The programs are:

- **ICT for Development Trust Fund and Co-Financing Program** - Please see *Partnerships (Section 2c, below)*

### **• ICT International Coordination and Networking Program**

Expedites the Bank's response time for Bank project development related to ICT for development activities agreed to by beneficiary countries in international and regional forums.

Focal Point: Robert A. Vitro [robertv@iadb.org](mailto:robertv@iadb.org)

### **• ICT for Development Statistical Program**

Promotes the compilation of macro-economic statistics that policy makers and development planners need in order to formulate and implement ICT for development strategies.

Focal Point: Robert A. Vitro [robertv@iadb.org](mailto:robertv@iadb.org)

### **• Virtual ICT for Development Division**

Uses state-of-the-art ICT to facilitate consensus building within the Bank and between the Bank and beneficiary countries.

Focal Point: Guillermo Castillo [guillermos@iadb.org](mailto:guillermos@iadb.org)

• **Marketing and Communications Program**

Promotes awareness and dialogue about Division programs in order to help increase awareness of stakeholders and constituencies regionally and globally.

Focal Point: Enrica Murmura [enricam@contractual.iadb.org](mailto:enricam@contractual.iadb.org)

b) Partnership, including the private sector

**International Cooperation and Outreach in ICT for Development**

The Division promotes the use of ICT as an effective development tool for the countries of the Region while seeking the necessary technical and financial leverage for other organizations to jointly contribute to the development of the knowledge economy in the Region.

The Division is working in particular with the United Nations ICT Task Force, the European Commission, the Inter-American Agency for Cooperation and Development (IACD) of the Organization of American States (OAS), and is also actively involved in various aspects of the preparation for the World Summit on Information Society.

The IDB was recently invited as member of the United Nations ICT Task Force, this new position will strengthen the effectiveness and reach of the Division's global development interventions, will help create new opportunities in the Latin American and Caribbean region, and will enhance the capability of the Division to assist the region in creating concrete and viable projects.

c) Participation, if any, in joint or multi-donor ICT for development programmes

**Italian Trust Fund for Information and Communication Technology for Development.**

The Italian Trust Fund supports IDB technical cooperation projects that promote the use of information and communication technology and electronic governance in social development, poverty reduction and transparency programs in Latin America and the Caribbean.

The resources donated by the Italian government, which are administered by the IDB through the Information and Communication Technology for Development Division of its Sustainable Development Department, provides grants to cover, among others, the costs of short- and medium-term consulting and professional services needed to supply technical assistance for the preparation and implementation of such programs.

**ICT for Development Trust Fund and Co-Financing Program**

The ICT for Development Fund is a multidonor facility that provides financing for a series of studies and research activities that will enable the Bank to identify real country needs in the areas of systems and infrastructures as well as their application and specific use.

Such activities will give the Bank and donor countries the capacity to quicker, more effective response as well as the means to evaluate and establish the feasibility and need of future credit programs and technical co-operations.

Focal Point: Andrés Garret [andresg@contractual.iadb.org](mailto:andresg@contractual.iadb.org)

d) Estimate of a global amount of funding with indications on the timeframe it covers

e) Lessons learned from your country's/agency's experience

What is at stake is the capacity of the countries in the region to develop themselves according to their respective needs and vision, to build upon existing partnerships, and to redefine roles and responsibilities at the regional, national, and local level.

The fundamental issue is not to produce more and more information but to create mechanisms so that all can participate and benefit from better matching of the increasing and diverse demand and supply for access to information and the tools for people to use it to build and apply knowledge in all aspects of their lives.

Expansion of a knowledge economy is a common denominator for carrying out simultaneously a democratic process of efficient, equitable and sustainable development. In essence, it is the bridge between sustainable economic growth and the reduction of poverty while promoting equity.

Factors such as political stability, macroeconomic governance, transparency and accountability of national and local administrations, the rule of law, physical infrastructure, and basic literacy should also be addressed in an explicit manner. ICT should not be seen as a substitute, but the integration of ICT into overall national development strategies can help facilitate implementation, expand the scope and coverage, and increase the results for most of these factors.

The world community should raise the profile of ICT for development and resolve to address the several divides that separate the world, it can do so by identifying the "building blocks" of an inclusive Information Society, recognizing the regional characteristics and particularities of the transition towards the IS, and defining the policies that can help the country through an "optimum" transition path.

In the three years since the IDB produced its first strategy on information and communication technology for development much experience has been accumulated in the Latin American Region as well as in the Bank. The IDB is in the process of devoting additional resources and capabilities to the new development perspective. Building upon that, the SDS/ICT Division is operating to facilitate such an approach, to create the structure and institutional framework for matching supply and demand in the region, and to act as a focal point for establishing strategic direction, policy coherence, and advocacy in the global ICT for development initiatives.

The awareness of a new development process has been articulated with increasing frequency in national, regional and international fora, and a number of proposals are now consolidated initiatives to be taken at global level.

Specific objectives include: situating the promotion of the ICT as a key priority within governments political agenda; creating/strengthening the existing institutional capacity; increasing the number and quality of ICT projects and programs; structuring cooperation mechanisms for the transfer of lessons learned, best practices and training of human resources; encouraging the establishment of public, private and civil society network; and incrementing the amounts and quality of public expenditures assigned to the development of ICT for development.

The Inter-American Development Bank is accompanying the countries in the Region in their efforts to seize these extraordinary opportunities, strong public and private institutional support and leadership is required to maintain commitment and the momentum we have been able to generate. This will require clear vision and direction, defined roles and responsibilities for all partners, adequate funding, good technical and administrative skills, integration with local institutions and enhanced cooperation among all stakeholders.

f) Cases that are particularly illustrative/examples of best practices

- **ENSI / ALDEA Program & Manual.gob**  
([http://www.iadb.org/sds/itdev/doc/manual\\_gobeng.pdf](http://www.iadb.org/sds/itdev/doc/manual_gobeng.pdf))
- **ICT4BUS Program** (<http://www.iadb.org/ict4bus/>)
- **Cyber communities** (<http://www.iadb.org/sds/itdev/pdf/ciber@Peru.2.doc>)
- **Telecenters Best Practices Studies**  
(<http://www.iadb.org/sds/itdev/telecenters/presentation.pdf>)
- **Italian Trust Fund for ICT for Development**

3) Describe the institutional arrangements made by your country for mainstreaming ICT within its development strategy

The IDB has for many years supported country efforts to integrate ICT into sector projects in the areas of education, health, modernization of the state and social development. However, during November 1998 the IDB Board of Directors determined that a more systematic, institution-wide response was needed to ensure that resources were channeled efficiently and effectively in support of the increasing requests for ICT in sectoral as well as intersectoral projects. The Board decision involved the allocation of administrative funds for the creation of an Information Technology for Development Unit that, after a two-year trial period, was upgraded in early 2001 to a Division within the Sustainable Development Department.

The matrix model adopted by the Division facilitates its individual and collective work with the Bank's Operations and Central Departments. The Division serves as the Technical Secretariat of the Bank's ICT for Development Strategy Group, presided by the Vice President for Planning and Administration). Division members participate in management team meetings of these departments, serve on project teams and support Bank-wide working groups on aspects of ICT for development. This collective effort contributes to streamlining the Bank's interaction with countries in order to enhance the contribution of ICT to sustainable economic growth while reducing poverty and promoting equity.

a) Contact details of your country's/agency's ICT for development focal point

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**4) Country/regional focus of the ICT-enhanced development strategy**

The 26 IDB Borrowing Member Countries in Latin America and the Caribbean:

<a href="#"><u>Argentina</u></a>	<a href="#"><u>Dominican Republic</u></a>	<a href="#"><u>Nicaragua</u></a>
<a href="#"><u>Bahamas</u></a>	<a href="#"><u>Ecuador</u></a>	<a href="#"><u>Panama</u></a>
<a href="#"><u>Barbados</u></a>	<a href="#"><u>El Salvador</u></a>	<a href="#"><u>Paraguay</u></a>
<a href="#"><u>Belize</u></a>	<a href="#"><u>Guatemala</u></a>	<a href="#"><u>Peru</u></a>
<a href="#"><u>Bolivia</u></a>	<a href="#"><u>Guyana</u></a>	<a href="#"><u>Suriname</u></a>
<a href="#"><u>Brazil</u></a>	<a href="#"><u>Haiti</u></a>	<a href="#"><u>Trinidad and</u></a>
<a href="#"><u>Chile</u></a>	<a href="#"><u>Honduras</u></a>	<a href="#"><u>Tobago</u></a>
<a href="#"><u>Colombia</u></a>	<a href="#"><u>Jamaica</u></a>	<a href="#"><u>Uruguay</u></a>
<a href="#"><u>Costa Rica</u></a>	<a href="#"><u>Mexico</u></a>	<a href="#"><u>Venezuela</u></a>